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Third Session
of the
Twenty-Fourth Legislature
of the
Province of Ontario

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Toronto, Ontario, February 12, 1953, et seq.

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Volume XXX

Wednesday, March 25, 1953.

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HON. (Rev.) M. C. DAVIES, - Speaker.

R. C. Sturgeon,
Official Reporter,
Parliament Buildings,
Toronto.

106790

P R O C E E D I N G S

of the

THIRD SESSION OF THE TWENTY-FOURTH LEGISLATURE OF
THE PROVINCE OF ONTARIO, ASSEMBLED IN THE PARLIAMENT
BUILDINGS, TORONTO, ONTARIO, THURSDAY, FEBRUARY 12TH,
1953, ET SEQ.

Hon. (Rev.) M. C. Davies,
Speaker.

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Toronto, Ontario,
Wednesday, March 25, 1953,
2:00 o'clock, p.m.

And the House having met.

Mr. Speaker in the Chair.

Prayers.

HON. MR. FROST (Prime Minister): Mr.
Speaker, may I with your permission under these
circumstances take leave to interrupt the orderly
and traditional routine of our procedure by making
this motion at this time.

I beg to move, seconded by Mr. Oliver,
That a humble address be presented to Her Most
Gracious Majesty, the Queen, expressing the
sincere sympathy of this House on the death of Her
Grandmother, the Late Queen Mary and to that end
that the following Address be adopted:-

To Her Most Gracious Majesty Queen Elizabeth:

Most Gracious Sovereign:

Your Majesty's most loyal and devoted subjects, the Members of the Legislative Assembly of the Province of Ontario, hereby express to you and to all the Members of the Royal Family the deep sorrow felt by them on hearing of the death of your beloved Grandmother the late Queen Mary and to extend to you the sympathy of the Assembly and of all the people of Ontario in the great loss you have thereby sustained.

Her Majesty was beloved by all British Subjects throughout the Commonwealth for her many outstanding qualities of heart and mind. Her devotion to duty never faltered; her consideration for all the people of the Commonwealth in the problems they encountered was always evident and her fortitude in the troubled times through which she passed was an example to us all. She was an outstanding figure in her world and a fitting helpmate for her husband the late King George V in carrying out the arduous duties which hastened his death. Her death is a loss to the world.

Motion agreed to; the entire House standing.

HON. MR. FROST: Mr. Speaker, I move, seconded by Mr. Oliver, that the Clerk be instructed to have the Address as approved suitably inscribed and forwarded to Her Majesty through the proper channels.

Motion agreed to.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by Committees.

MR. W. M. NICKLE (Kingston): Mr. Speaker, I beg to present the eighth and final report of the Committee on Miscellaneous Private Bills.

THE CLERK ASSISTANT: Mr. Nickle, from the Standing Committee on Miscellaneous Private Bills, presents its eighth and final report as follows:

"Your Committee begs to report the following Bill without amendment:-

Bill No. 18, An Act respecting the City of Stratford.

Your Committee begs to report the following Bills with certain amendments:-

Bill No. 31, An Act respecting the City of Toronto.

Bill No. 36, An Act respecting the Town of Almonte.

Bill No. 37, An Act respecting Separate School Boards in the Metropolitan Area of Toronto.

Your Committee would recommend that the

following Bill be not reported, the petitioner having requested that it be withdrawn and Your Committee would further recommend that the fees less the penalties and the actual cost of printing be remitted:-

Bill No. 17, An Act to incorporate The London Foundation.

Your Committee would recommend that the fees less the penalties and the actual cost of printing be remitted on Bill No. 37, An Act respecting Separate School Boards in the Metropolitan Area of Toronto.

All of which is respectfully submitted.

Toronto, March 25th, 1953.

(signed) "W.M.NICKLE"

Chairman."

Motion agreed to.

MR. H. E. BECKETT (York East): Mr. Speaker, I beg to present the third and final report of the Standing Committee on Legal Bills.

THE CLERK ASSISTANT: Mr. Beckett, from the Standing Committee on Legal Bills, presents the third and final report, as follows:

" Your Committee begs to report the following Bills without amendment:-

Bill No. 62, An Act to amend The Public Officers' Fees Act.

Bill No. 64, An Act to amend The Mortgages Act.

Bill No. 65, An Act to amend The Insurance Act.

Bill No. 78, An Act to amend The Summary Convictions Act.

Bill No. 100, An Act to amend The Summary Convictions Act, (No. 2).

Bill No. 108, An Act to amend The Land Titles Act.

Your Committee begs to report the following Bills with certain amendments:-

Bill No. 101, The Credit Unions Act, 1953.

Bill No. 107, An Act to amend The Judicature Act, (No.2).

Bill No. 129, An Act to amend The Highway Traffic Act.

All of which is respectfully submitted.

(signed) Hollis E. Beckett

Chairman."

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of Bills.

HON. G. A. WELSH (Provincial Secretary):

Mr. Speaker, I beg leave to present to the House the following:

(1) The annual report of the Commissioner of the Ontario Provincial Police, from January 1st, 1952, to December 31st, 1952.

MR. SPEAKER: Introduction of Bills.

HON. DANA PORTER (Attorney-General) moves first reading of Bill intituled,"An Act respecting

the Location, Construction, and Operation of Oil Pipe Lines".

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, this Bill covers a new field of legislation in the interests of public safety. It is designed to protect persons and property from the dangers inherent in pipe lines in transmitting petroleum and petroleum products, such as gasoline in liquid form.

The Bill has a number of sections, and provides for the procedure to be followed in laying out the lines themselves, and also provides for regulations to deal with the matter of safety standards.

MR. HARRY NIXON (Brant): Mr. Speaker, may I ask the hon. Attorney-General if this Bill gives the power of expropriation.

HON. MR. PORTER: Yes, Mr. Speaker.

MR. SPEAKER: Orders of the day.

EDIBLE OIL PRODUCTS ACT

HON. MR. DOUCETT moves second reading of Bill No. 142, "An Act to amend The Edible Oil Products Act, 1952".

MR. OLIVER: Mr. Speaker, inasmuch as this

Bill has only lately appeared on the Order Paper, and all the hon. members have by way of information is the speech by the hon. Minister yesterday, I think it would be well, before we start considering this very important Bill, if either the hon. Minister (Mr. Doucett) or the hon. Prime Minister should, on behalf of the Government, say just what precisely this Bill is intended to do. I think it is a little irregular for us to have the Bill before the House so quickly, but I agree its importance will warrant any transgression of a rule, but I do feel, Mr. Speaker, the Government should be prepared to take the House completely into its confidence with respect to the Bill itself.

(TAKE B FOLLOWS)

HON. MR. DOUCETT: Mr. Speaker, I endeavoured yesterday to make a fairly complete explanation of the Bill and went into a few of the details. Time does not permit covering the whole ground again, but in reply to the hon. Leader of the Opposition (Mr. Oliver), I might say what this Bill proposes to do is set out in section 2, subsection (a) that is, in a few words to disallow the adulteration of dairy products, but to permit the manufacture of edible oils as long as they are not adulterated.

The Bill provides in the third section; "No person shall manufacture or sell any edible oil products other than oleomargarine manufactured by any process by which fat or oil other than that of milk has been added."

In other words, we are putting a provision in the Act that Oleo is permitted but that other adulterations are not allowed. In the statement I made yesterday, I pointed that that was not the intention of the Government under the former Act. While I agree this Act is perhaps better, in that it sets this out definitely in the Act, instead of giving authority to the Lieutenant-Governor to regulate. It is clear, under this Act, there was no intention on the part of the

2. *Journal of the American Revolution*, Vol. 1, No. 1, 1932, pp. 1-20. This article is a good introduction to the subject of the American Revolution. It discusses the causes of the revolution, the major events of the war, and the outcome of the conflict. The author also provides a brief history of the American Revolution, from its origins in the 1760s to its conclusion in 1783.

3. *American Revolution: A Short History*, by Robert M. Coates (New York: Harper & Row, 1963). This book is a concise history of the American Revolution. It covers the major events of the war, the political and social changes that occurred during the conflict, and the outcome of the revolution. The author also provides a brief history of the American Revolution, from its origins in the 1760s to its conclusion in 1783.

government to eliminate shortening, peanut butter, flavouring or any of the long list of edible oils, which would number probably several thousand. It simply protects the dairy products from adulteration. I think that sums it up.

MR. OLIVER: May I ask the hon. Minister or the hon. Prime Minister when the parent Act was proclaimed, if it has been proclaimed, the Edible Oils Act of 1952?

HON. MR. FROST: It was not proclaimed.

MR. OLIVER: Can we amend an Act which has not been proclaimed?

HON. MR. FROST: That is quite in order. This Act will not come into effect until it has been given Royal assent, but in any event, it is the intention to proclaim the Act.

I might clarify that for the hon. Leader of the Opposition. The Edible Oils Act as introduced at the last session, was largely to provide the powers mentioned in the Act, as the hon. Leader of the Opposition knows. In addition, of course, to the definitions in the Act, but it was largely confined to providing for regulations.

The proclamation of the Act was discussed,

but at that time it was felt the powers in the Act were not specific enough, and that it might lead to misunderstanding, or indeed to references to the Courts in the matter of interpretation.

It was the purpose of Bill No. 71 to clarify that. I think, perhaps, in Bill No. 71 which was complementary to the Act passed last year, ministerial discretion went too far. The point is, as the hon. Minister of Highways says, it was not the intention to ban peanut butter, cooking oil, shortening and things of that sort, and the edible oil people understood that perfectly well. I would like to say the advertising they have put out is a gross distortion of the facts, and they know it to be so. If they will distort and treat the subject the way they have before the people of Ontario, I would say that the hon. members of this House want to be very careful about giving these people any additional power. As a matter of fact, they knew well the purpose of this Bill was to protect dairy products, but they used what I think was a defect in the Act.

and I am very sorry to see that you are not
able to get the money you want
so easily as I did. I have been offered
a good sum of money for my services
but I have not yet accepted it.
I am very sorry to tell you that I
have not yet got any information about
the man who is to be sent to you
but I will do my best to find out
as soon as possible. I hope you will
not be disappointed in him. I will
keep you posted as soon as I
have any news. Please let me
know if you have any other
questions or if you need
any more information.
I will do my best to help you.

When you look at it in the light of calmness and reason, the fact is there was ministerial discretion to say the intention was to do something else. They knew peanut butter, etc. would never be touched, but they wanted to get into the dairy business which was the true intent of all their protests.

This Act is, in many ways, as has been said many times, more definite and more restrictive than the other Act, but I assure the hon. members it is more binding, as no minister has the right to go against the decision of this House. If this House says -- and I am satisfied it will say -- when you buy butter and cheese and other dairy products you do not buy whale oil, there will not be misrepresentation; it is there and no lobbying from these people will change it. That is the position and that is the purpose of this Bill.

(PAGE 5 FOLLOWS)

and which is good for all. The other is a
natural product of the earth, it is called sand, and
it is a very good material for making
the walls of houses and for making
the floors of houses. It is also good
for making the roofs of houses.
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MR. FARQUHAR OLIVER (Leader of the Opposition):

I want to say a few words on the principle of this Bill, "An Act to amend the Edible Oils Act". The Bill, as the hon. Prime Minister said, takes the place of Bill No. 71, which the hon. Minister of Highways yesterday moved to have removed from the Order Paper. Bill No. 71 just did one thing; it defined what dairy products were, but having said that, it walked completely away from the problem, in a realistic way at any rate, and left all the powers to the Lieutenant-Governor-in-Council.

I can say quite frankly that was not a Bill which would meet either with the approval of hon. members of the Legislature, or of the various interests who were in favour or opposed to the principle embodied in this Bill. In other words, it did not satisfy anybody and it aggravated the whole crowd. Much of the lobbying we have seen in full force during the last few weeks is the result of the Bill and its shortcomings and inadequacies. There is no question about that, and the Government must be prepared to take some responsibility for putting this Bill on the Order Paper in the skeleton form in which it was, and then leaving it there for a number of weeks while this lobby built itself up to the pressure and the proportion it has assumed.

HON. MR. FROST: I would ask the hon. Leader of the Opposition to notice that since

the Bill was kntrduced yesterday, the lobby has not reduced at all.

MR. OLIVER: That is the difficulty.

These things are started, and it is much easier to stop them at their inception, than it is to stop them after they get going in full swing.

As the hon. Prime Minister has said, this lobby went to the extent of placing full-page ads in the paper, and sending leaflets and pamphlets to every hon. member of the Legislature, building up as they thought, a case for their own particular interests.

I agree entirely with the hon. Prime Minister and I doubt -- in fact I am sure -- that even this Government would not go so far as to ban margarine and peanut oil and peanut butter. These lobbyists just used that as an excuse to build an opposition to the Bill in the minds of the housewives and in the minds of people generally throughout the province.

I want to say in respect to lobbyists generally, Mr. Speaker, that I hafe had long experience in this House, and lobbies, no matter how strong or how powerful they may seem to be, leave me particularly cold, and I think

that is the feeling of most of the hon. members of this Legislature. We come down here to assess legislation as it appears on the Order Paper and we are not moved -- and I hope the day never comes when we will be moved -- by the strength of a lobby for or against any particular piece of legislation.

Each one of us has to decide in our own mind just what we want to do in respect to particular legislation. Over the years I think that has been very true in this Legislature. I doubt very much if in the minds of any of us there is an instance where lobbies have had any effect on the thinking of any particular hon. member in his consideration of a particular Bill.

We have Bill No. 142, the new Bill. I want to say a few words about it. It defines, as Bill No. 71, did, what constitutes dairy products. That is proper. The hon. Minister of Highways dealt with section 2, subsection (a). That is the meat of the Bill. I have given this matter the study I could in the time available. I have made inquiries from those who should know what the application

of this section would mean, and I am prepared to say to the House that I am willing to go along with the Government in their conception of what is reasonable and just in meeting this very vexatious problem, because all of us agree that the arguments are not all on one side. One could put up a terrific case on the other side, as these lobbyists have attempted to do. What we require to do in the Legislature is to try to find a reasonable approach to the problem and then legislate on that approach.

I think the Bill is reasonable. It only asks that there shall not be any imitation or resemblance to butter in products which are made from edible oils. It gives the butter producers the right to sell their product on its merit, and it also says to the producer of edible oils that if their product is so good, then let them sell their product, and not one which is mixed with butter.

It says, "The product made from edible oils shall not imitate nor resemble the product of the dairy product", and I agree entirely with that. I would say to the House that many hon.

members here represents not rural ridings, but ridings in great industrial areas, and I would never want to see this become an issue as between urban and rural. It has never been that way in this House, and it should never be if we want to deal with this question in a rational way, rather than an issue that could divide urban and rural. What we should have in respect of this measure is an appreciation on the part of all that there is a fundamental issue that goes beyond the very wording of the Bill itself, it goes back to the dairy farms spread over this Province of Ontario; it recognizes the great importance of the dairy industry in the national fabric of this country and it seeks to preserve in a realistic and sensible way the part that dairying has played in Ontario, and makes sure that part will not become lost as the days go on.

There is, as the hon. members are aware, a lessening of farm income at the present time. We have crossed the threshold, we have gone over the peak, as far as income is concerned, and at this time, perhaps, in every way we should do what we can to save the industry and to protect

its income. That is what the dairy industry asked and to me it is a very reasonable request. They have come to this House and have asked for reasonable protection. I agree with the hon. Minister of Highways that the dairy council through their officers did not ask for anything out of the way. I am sure they have assessed this thing in the cold light of reality and have brought forward what in their opinion was the minimum they could ask, for the protection of a great basic industry, and on this basis I am prepared, for once, to go along with the Government in adopting the second reading of this Bill.

MR. W. J. GRUMETT:(Cochrane South): I think it is unnecessary for me to make a speech in favour of the Bill such as the hon. Prime Minister and the hon. Leader of the Opposition. I agree wholeheartedly with what both the hon. Prime Minister and the hon. Leader of the Opposition has said. I would like to point out, however, that the old Bill that was taken off the Order Paper yesterday was No. 71 and this is No. 142. If the old one was worth anything, then this is worth twice as much.

(Take C follows)

MR. SALSBERG: Mr. Speaker, first I would like to express some surprise the speed with which the Bill was called for second reading. It was introduced yesterday, and not an hon. member of the Legislature saw it until he came to his desk today, and certainly had no chance to study it carefully, and make comparisons with other legislation. I suggest, Mr. Speaker, the Government may have desired to ward off another wave of attack against this Bill, and, therefore, is rushing it through.

But, Mr. Speaker, I am of the opinion the rights of people to make presentations to governments and of organized public campaigns in particular, of what they believe to be necessary and correct, is a perfectly legitimate right of the citizens, and there is no ground for any to be dissatisfied with it. I think it is the elementary duty of citizenship to be on the alert, to watch the legislation at all levels of government, and to band together in order to express opinions to those who will legislate on their behalf. I am a bit sorry the Bill was called so speedily after its introduction.

Now, Mr. Speaker, a word about the Bill itself: It is undoubtedly an improvement over the old Bill which was withdrawn. But I confess

to a mixed feeling about the Bill as it is. Let me say that I, like every other hon. member of this House, place the interest of the farm population first, because I see no necessary conflict between the working farmers and the city workmen, as their welfare depends each upon the other. There is nothing I would say which would in the slightest degree, harm the interest of the farmers, and I will not hesitate at any time to support legislation which is helpful to the farmers.

But I am afraid, Mr. Speaker, -- and I think this should be said at this moment -- that the Bill creates a great deal of illusion amongst farmers; it creates the belief that there is a very serious economic problem with which they are confronted, but which will be solved by this legislation. That will not be the case.

I have said in this House on a number of occasions, we are entering, unfortunately, into a period where we will be confronted by a crisis. . . in agriculture, and that applies to dairy farming as it does to most other branches. Will that crisis be solved by this legislation? It will not. The basic solution of our farm problems lies in two very obvious directions, first, the creation of a much wider market at home for dairy products,

through the enhancing of the purchasing power of the people, so they will have the money necessary to buy more of the essential healthy products which our farmers produce. I mean, Mr. Speaker, by increasing the home market, the purchasing power of the people, and by education. I grant there are many people spending money on food items which are nowhere near as good, even harmful, instead of spending money on milk, cheese, and things like that.

Another thing; in my opinion one of the solutions to this problem lies in finding more external markets for dairy products. I think it is a senseless situation, that we should have lost the British market for our cheese, when the British people have a preference for Canadian Cheddar, and this province is producing as fine a Cheddar cheese as can be produced anywhere. We must get the British market back, and I believe we can, through the efforts of this Government, and of the Government at Ottawa. I would like to see this Government prod Ottawa in that direction, and if they will not move, I suggest this Government should act independently, and send a representative to Britain to deal with the Government of Great Britain for the opening of the markets again for our dairy products.

And the same remarks apply in regard to other countries as well. Any country in the world who wants or needs our dairy products, as well as our other agricultural products, should be enabled to get them. It is astonishing to find we have too much cheese on hand, when hundreds of millions of people in India have not enough to eat, and cheese is rationed to the British people. It is unreasonable. We will not solve the problem, I suggest, by this Act.

HON. MR. FROST: It will help a little bit, anyway.

MR. SALSBERG: I was very much impressed by a piece of literature included amongst the batches of literature all hon. members receive, which is a re-print of an article from the Saskatchewan Co-operative Magazine, which the Co-operative quite wisely inserts in every pound package of margarine. The product is manufactured in Margarine, Saskatchewan, and they insert a piece of literature in each package. There is a great deal of good, sound sense in this article, and I think we have to face up to changing conditions in every field of activity, including agriculture.

May I say in conclusion, Mr. Speaker, I do not think this Bill will meet the needs of the dairy farmers. I am afraid it will create illusions,

and toward the end will place perhaps certain unnecessary restrictions, which are not progressive in character.

The wording of section 3 is such that it could be interpreted and applied in a very restrictive manner to many items, which might even increase prices to a point where the purchasing of them would be prohibitive, without bringing the benefits to the farmers, which they are led to believe they will secure.

I am supporting the Bill only because -- only because -- the representatives of the farm areas believe in it. I have tried to argue the matter of the farm problems with hon. members of this House, along the lines I have pursued up to now in discussing this Bill. I am not convinced it is helpful to the farmers; I am worried it may even be harmful to the public at large, but not of as serious a nature as it might have been if the old Bill had passed the House.

It is not progressive legislation; it is not the kind of legislation about which we should be enthusiastic, but I am giving the benefit of the doubt to the hon. members who come from farming areas, and will vote with them, after I have stated my position on it, as I have tried to do, and to

express the hope there will be no cause for regretting the enactment of this legislation in the long run.

Motion agreed to; second reading of the Bill.

BUDGET DEBATE

CLERK OF THE HOUSE: Twenty-second Order, resuming the adjourned debate on the amendment to the motion that Mr. Speaker do now leave the Chair and that the House resolve itself into the Committee of Supply, Mr. Frost (Victoria).

MR. OLIVER: Mr. Speaker, at the request of the Government, I allowed our turn to go in this debate, but I would like to say to the hon. Prime Minister I think he is pursuing this Budget Debate in a very haphazard and scwed-off manner, and getting away from the traditional idea of Budget Debates.

The hon. Prime Minister will recall that at one time we had debates on the Budget on Tuesday, and perhaps Thursday afternoons, when we heard a number of speakers. The continuity of the Debate, and the interest therein, has suffered, because we are just calling a speaker once in a while, I suggest to the hon. Prime Minister he take an opportune time, and let us get through with the Budget debate, and let us have it in one package.

HON. MR. FROST: I am satisfied to do that. It is due to the more enlightened methods we have now, that we are following this course.

The Budget was introduced on the 12th of March, and we immediately started calling the Estimates, which permitted very wide discussion on budgetary subjects. In going through the Estimates now, we take all the time necessary, in voting these hundreds of millions of dollars, and with that, we have interspersed speeches made by hon. members of great ability.

I will try to set a day on which we will have nothing but speeches from the hon. members, and I am sure it will be a worth-while day.

As the hon. Leader of the Opposition will recall, under the old system, there was the introduction of the Budget, and then we spent days on end with speeches, and then had to sit here late in the evenings, voting practically all the Estimates in one night. I know the hon. Leader of the Opposition would not want to revert to that former method.

MR. SPEAKER: It may be some hon. members will want to make their speeches today, so may I say there will be a night sitting this evening. We will adjourn at six o'clock, and resume our

deliberations at eight o'clock.

MR. WREN: Mr. Speaker, may I ask why this Edible Oil Act was so suddenly presented?

MR. SPEAKER: The Bill has been given second reading, and accepted by the House. I cannot permit further debate on it.

MR. WREN: Why can we not go back to Order No. 22?

MR. SPEAKER: It is for the hon. Leader of the Government to call any order he wishes.

(TAKE D FOLLOWS)

MR. C. H. LYONS (Sault Ste. Marie): Believe me, Mr. Speaker, I shall always welcome an opportunity to rise in this chamber in order to congratulate hon. members of this House on the admirable choice they made when they elected you Speaker. I truly envy your calmness of mind, your impressing equanimity, and your cool composure -- characteristics which I have always desired to possess myself. Long may you be detained, Mr. Speaker, from going to your reward.

Since last I spoke to this chamber the hon. member for Cochrane North (Mr. Kelly) and the hon. member for Hamilton Centre (Mr. Warrender) have been elevated to cabinet rank. This is fitting and I congratulate both for the confidence the hon. Prime Minister (Mr. Frost) has placed in them, and I congratulate the hon. Prime Minister for his sagacity of choice.

The hon. member for North Cochrane is well acquainted with the needs of Northern Ontario -- he is an indefatigable worker and a prime optimist, and stands high in the esteem of his fellow Northerners. During the period when the possibility of an oil discovery in the James Bay region was being publicized, a friend of mine became very enthusiastic about the optimistic

reports. I cautioned him to be less buoyant until further information was received. His reply was: "Well, if there isn't any oil up there now, Phil Kelly will see to it that there soon is." It is a great tribute to the hon. Prime Minister that he can choose for his cabinet, members in whom such enthusiastic confidence can be placed by the citizens of the Province.

The hon. member for Hamilton Centre is also well equipped to carry out his new task. His outstanding contributions to Hamilton City Council ... one gives him a broad insight into higher affairs of a provincial nature. That he will be a valuable counsellor on the Legislative Executive team is a foregone conclusion.

The hon. Minister of Lands and Forests (Mr. Gemmell) fitted quickly and smoothly into the well-worn sweat pad and traces doffed by the hon. member for Peterborough (Mr. Scott) after six years of productive organizational toil. The success which the hon. member for Peterborough made of his Department is in nothing more clearly shown than the following words spoken a few days ago by the hon. Minister of Lands and Forests whilst addressing this Assembly:

"Sitting to my left is the hon. member for Peterborough who was head of the Department of Lands

and Forests for six years. It is certainly to his credit and to the credit of this Government that the manner in which this Department was carried on and the progress which was made, is, in no small measure due to his able leadership and his integrity."

As to the hon. Minister from Sudbury himself, I shall have more to say shortly which should be of interest to him and should prove somewhat educational to the hon. member for Kenora (Mr. Wren).

Before continuing with my next remarks, Mr. Speaker, I should like to ask the hon. member for St. Andrew (Mr. Salsberg) -- I notice he is not in his seat, but if he should come in -- to please withhold any applause until the completion of my speech. As I sat here on opening day and thrilled to the entry of His Excellency the Lieutenant-Governor and Mrs. Briethaupt into this Legislature, and as I listened to the Speech from the Throne, whose adoption was later most eloquently moved by the hon. member for Kingston (Mr. Nickle) and seconded in like manner by the able hon. member for Hamilton-Wentworth (Mr. Connell), I thought how fitting it would be in this, the Coronation year of Her Gracious Majesty Queen Elizabeth II, for the Province

of Ontario to grasp the opportunity of re-establishing a provincial residence for His Excellency. Surely this great Province, the senior partner in Confederation, the most distinctively British Province in our fair Dominion, should not be one of a minority of the provinces which does not see fit to give proper vehemence to the representative of the British Crown. Of all the great Commonwealth, whose morning drum-beats following the sun and keeping company with the hours, circles the globe in one continuous and unbroken strain of the martial airs of the empire, the Dominion of Canada is the jewel in the diadem, and the Province of Ontario is the focal point of the Dominion.

Residences are provided the Lieutenant-Governors of Nova Scotia, New Brunswick, the newly acquired Province of Newfoundland, the tiny but staunch Province of Prince Edward Island, the neighbourly but competitive Province of Quebec, whom many of our citizens are wont to accuse of a lack of fealty to the Crown. Manitoba and British Columbia follow suit. It remains only for Ontario, Saskatchewan and Alberta to reside beyond the pale. When I was a youngster I was continually warned of the

consequences inherent in the company I kept.

In former years most of our great statesmen have not merely accepted, they have been profoundly seized with the significance and the value to Canada of the Crown and all that it stands for. Canadians view with splendour and with simplicity its institutions of the Crown. This symbol of law and authority in combination with humanity is a worthy contribution which Canada is making to North American life.

Mr. Speaker, it is my very sincere hope that the Government which I support may see its way clear to correct the overly-impulsive and ill-conceived action of a former Prime Minister.

I should like to say a word concerning the hon. Minister of Highways (Mr. Doucett). When I spoke last spring he was recuperating in Ottawa Civic Hospital from a grievous injury. It is indeed a tribute to his hardy ancestors that he is present today in his place in this Chamber. Mr. Speaker, gratitude is a mark of culture. It has no humiliating effect, and so I intentionally disjoined these remarks concerning the hon. Minister of Highways from my earlier congratulations in order to show my special appreciation for his

thoughtful consideration in providing such a magnificent sum for his road program for my riding, a sum over three times greater than provided in previous highway budgets; also, to let it be clearly understood that my congratulations have no particular connection with my earlier request that this Government consider the re-establishment of the Lieutenant-Governor's residence.

As the hon. Prime Minister (Mr. Frost) budgets for his eleventh successive surplus in a brilliant career as Treasurer of this great Province, I wish to congratulate him on his astounding effort. It is so astounding indeed, Mr. Speaker, that when I tried to reconcile the written copy with the hon. Provincial Treasurer's vocal announcement of a \$67 million surplus, I, at first, thought the hon. Provincial Treasurer had dropped three ciphers on his way into the Legislature.

Again, in the year just passed, the hon. Provincial Treasurer (Mr. Frost) has been able to apply \$17,900,000 to the sinking fund, --- \$9.5 million on retirement of old debt, and \$8.5 million of new. It is not so much as last year, but a perfect illustration that the hon.

Provincial Treasurer knows how to keep high this Province's credit. The increase of \$55 million in the funded debt of the Province, as dwelt upon by the hon. member for Brant (Mr. Nixon) is merely an example of an age-old law that, as a State's population increases, so does its funded debt increase.

Regarding the pay-as-you-go policy being so rigidly adhered to by the hon. Provincial Treasurer, Mr. Speaker, I wish to emphasize that any Government which can currently provide \$240 million in ten years against capital outlay of \$378 million in the same period is performing a herculean task.

I would like hon. members of the Opposition to note the stability with which the hon. Provincial Treasurer adheres to the same fields of taxation year after year; how he adheres to his pledge not to increase taxes year after year; how he comes up with a tidy surplus year after year, and how he has been able to carry a large portion of the capital structure of the Province out of ordinary account year after year.

I should also like hon. members of the Opposition to compare this record of stability

with the vacillating program at Ottawa. Taxes are reduced, fields of revenue are switched before elections, taxes are increased, fields of revenue are again switched after elections. Their huge surpluses appear and/or disappear according to the source from which, in mid year, criticism of the Minister of Finance is emanating.

This Jack-in-the-box attempt to keep every person happy, everywhere, all the time, finally reveals the Federal Minister of Finance in the benevolent posture of the Pied Piper doing a financial strip-tease.

Most outstanding in its significance, this year as last, is the unprecedented sum of \$121 million in municipal grants for the coming fiscal year. The impact of our phenomenally expanding economy upon the municipalities is such that, with the present allocation of tax revenue sources, the municipalities find themselves foundering.

For many months municipal authorities have been exercised about the inflexibility of the municipal revenue structure. The municipal tax dollar continues to shrink before their very eyes, while the cost of performing municipal services soars to higher pinnacles with each

succeeding budget.

The problem of municipal finance can be solved by nothing short of an entirely new framework of tax revenue sources, which will bring a businesslike and sane, and therefore, a long overdue reality, into proper focus.

A long step was taken last summer toward this reality when the hon. Prime Minister negotiated his Dominion-Provincial Tax Agreement with the Federal Government. However, as he has so often reiterated, this agreement is but the first step towards possible future discussions on a federal, provincial and municipal level, which should draw a strong line of demarcation between each unit of government, and, in turn, make each unit self-supporting.

It is most gratifying to the hard-pressed municipalities to know that a satisfactory distribution of tax revenue sources is being worked out which will eventually provide for a realistic approach to their problems.

One of the problems besetting municipalities is that of education. It is the most important element in the nation today, for young Canadians need heads which can think wisely and hearts which can feel warmly. What goes on in their heads and

hearts is more important in determining Canada's future than what goes on in our laboratories and factories.

Here again the factors of Federal-Provincial fiscal arrangements and provincial-municipal fiscal arrangements are very important, and will, of necessity, influence the course of Government. Common to all economic and social activity in the Province is our growing population. It affects virtually all services and explains most of the increased expenditures, and, therefore, the need for increased revenues.

Last year, Ontario's population increased by nearly 170,000, and our population has grown most rapidly at the two ends of the scale. They are the children of school age, and our more senior citizens, sixty and over. While our total population has increased by 28 per cent since 1941, the number of children fifteen years of age and under has increased by 41 per cent. Over the next decade, upwards of 50,000 additional pupils must be admitted to the schools each year. This will necessitate an even higher rate of school construction than we have yet experienced. Two hundred and fifty new school buildings or substantial additions to existing schools were erected during the past year at a cost of nearly

\$46 million. New school accommodation was provided for 50,410, but the actual increase in pupil enrolment was 54,000. It will therefore be seen that even this large-scale construction program did not quite meet the demand. In 1953 there will be at least a ten per cent increase in building accommodation, and so on each year for the next decade.

It will also be necessary to provide teaching facilities and to recruit the thousands of new teachers necessary to meet these requirements.

All-told, the Provincial Government's bill for education in the year 1953-54 will amount to \$78,004,000, including grants of \$58,380,000 to school boards. This is an increase of \$3,900,000 over last year. The expenditures by Boards of Education throughout the Province in 1953 will exceed threefold the entire provincial budget of ten years ago.

These astronomical figures demand that much more care must be given to construction costs of schools, which are now far too high. The urge to economize has been absent in many cases, and much of the benefit of provincial grants in the past has been nullified by the upgrading of building specifications. The

result has been beautiful, eye-appealing structures but priced in the Rolls Royce class.

The hon. Minister of Education (Mr.Dunlop) has apparently been quick to discern this situation, and it is most gratifying to me that a regulation of Government now limits provincial school grants to the classroom portion only of new schools.

I strongly believe in local autonomy of Boards of Education. There can be no question about the desirability of electing the members of these Boards, although once elected, their authority in spending matters transcends any direct responsibility to the ratepayers of the municipality.

Members of the community who offer their services voluntarily towards the education of our children deserve our profound gratitude.

I have no fault to find with any municipality's taste in school construction provided the municipality is willing to accept the cost over and above the portion eligible for Government grant. It will be interesting, Mr. Speaker, to observe the effect of the new regulation on future school construction costs.

Expenditures for health for the current year are budgeted at \$46,400,000, an increase of \$3 million over last year.

Last year the Government paid out special grants of \$5,750,000 to teaching hospitals. This year the Department of Health will provide all public general hospitals with additional grants which they may use to renovate any obsolete facilities and equipment. The grant will be distributed to hospitals on a proportionate basis calculated on the number of beds in each hospital; \$400 will be paid for each bed which is currently in use, and for which a capital grant has not been paid since April 1, 1947; and \$100 will be paid for each bed for which a grant has been paid or approved since April 1, 1947.

It is intended that these grants be used for the rehabilitation of buildings and the acquisition of more efficient machinery and equipment in order to reduce the cost of hospital maintenance and operation. The total amount being provided for this purpose is \$8,500,000. Again I say it has been designed to help the older hospitals and portions of hospitals which have not received help. These grants will be paid at once.

Provincial aid to General Hospitals does not, however, stop with capital grants. In a most substantial way our maintenance grants have been stepped up so that they are related to the day to day cost of running the hospitals. In our last complete fiscal year the Province paid out over seven million dollars -- a sevenfold increase since 1943.

Today health is big business and the expenditures already noted are, but a small portion of the entire cost of hospitals. Some capital cost grant is also made by the Federal Government and deficits in operating costs are met by municipal grants and public contributions.

All of us in this province owe a great debt to our community leaders and to all those who by their contributions of money and energy and hard work have done so much in enlarging our hospital establishment. I am glad the financial resources of the Province are sufficient to support their efforts in a very substantial way.

At this point, Mr. Speaker, I propose to emulate the bravery of the hon. member for Kingston (Mr. Nickle) when he entered into the lions' den a few days ago. The courage required in this instance is somewhat less than that which prompted the hon. member for Kingston; on the other hand, the stigma will not be so great as anticipated by him in his case because I am not a member of any professional class.

It has been my firm belief for some years that members of the medical profession should be called upon to contribute a portion of the costs of operating and maintaining public hospitals and their expensive modern tools or equipment, because by their very nature they are the immediate and continuous workshops of the medical profession although they are publicly financed.

There are many who will not agree with the following analogy, but I am curious to know what the taxpayers' reaction would be, if called upon to maintain modern buildings and tools for use by automobile garage owners for instance in making diagnosis and repairs to their clients' cars.

Conditions change from generation to generation and while it would be utterly foolish to disregard the principles of the past, we must so adapt them to the environment of today as to retain all their values without giving in to their assumption of being eternal laws. Today we need imagination and we need boldness. Man would never have stood erect had he not shattered the shackles of precedent in a great experiment.

Some relief from hospital overcrowding will be found in the construction and maintenance of homes for the aged. Construction of this type runs approximately half the cost of hospitals per room, and patient care is much less than is the case in hospitals.

In Sault Ste. Marie the Davey Home for the aged was the first of its type to be constructed in the Province of Ontario. It was built by the Department of the hon. Minister of Welfare, and I wish to state it is a resounding success.

Today this home is providing for 169 including patients/approximately 35 to 40 bed-ridden cases. There is a waiting list of 45 applicants, including six who are at present being cared for in the two local hospitals. Release of bed-ridden patients from hospitals to these homes throughout the province will save large sums of money and will release valuable hospital accommodation.

Legislation enacted by the hon. Minister of Public Welfare in this regard is the most advanced of its kind in any country in the world today. I suggest to the hon. Minister that an addition to the Davey Home at Sault Ste. Marie would be well worth considering at this time.

Mr. Speaker, there are few occasions indeed on which I do not fully appreciate your insistence upon proper decorum being practised within these Legislative walls. This is one of those rare occasions, because if it were not for this wise restraint placed upon the enthusiasm of hon. members, I would be tempted to ask them to rise -- and I believe they would -- and join in giving three cheers to the hon. Prime Minister (Mr. Frost) for his announcement concerning the extension

northward of the Montreal River road. This, Mr. Speaker, as you may have already suspected, concerns Sault Ste. Marie, and the announcement brings to an end one of the saddest chapters in the annals of my riding.

Geographical isolation within its own borders was the frightening fact which confronted the hardy citizens of the riding of Sault Ste. Marie. Unconnected strips of highway and short stretches of roads have, until recently, condemned many Northern Ontario communities to dwell in a series of hermetically sealed compartments, with virtually no means of communication with even their closest neighbouring community. But with unfailing zeal, comparable to that which prompted the knights of the round table in their everlasting quest for the Holy Grail, Algoma has fought on until at last they have turned an epitome of the past into a forecast of the future.

In the past, the opening up of new country has been on an individual basis; men have gone from the settlements to make their homes in the nearby wilderness, supporting themselves by trapping, planting crops, or cutting timber. Thus, settlement inched its way into new areas; but this cannot be done in the age of Coca Cola and hydromatic drive. Our new economy is geared to the extraction of wealth from deep within the earth's crust. Development of this sort cannot be carried on by

a gradual process because mineral occurrences are not continuous, or even contiguous; in one region there may be a group of copper mines, in another, lead and zinc mines or deposits of iron ore. For this reason, people live in relatively large communities rather than on small farm holdings, and they require modern means of communication.

Evidence of this in the past has been piled upon evidence but we have been desperately slow to appreciate our great stature. As a result, we retreated from one fading hope to another until we became veritable prisoners of hope. At last a Prime Minister, who knows what time it is, subjected himself to the discipline of facts and his announcement of a "continuation of the Montreal River road northward" has already earned for him a eulogy which probably never could be gained by anything short of dying.

The people of Algoma now feel they are a great and useful segment of the Province of Ontario and something not just won in a crap game. They thrill to realize that the \$5 million budgeted for my riding in 1953 represents a sum over three times greater than any heretofore provided by the Department of Highways.

Land has always moulded people, and not people the land. This new land which must now be conquered will surely mould its people into different patterns from those of the past. The British conquest

is looked upon as the point from which time is counted forward and back, but the present moment, poised as it is on the threshold of an era to be shaped by the exigencies of the metal age might some day look to the area around Lake Superior as a much more definite break between past and future than any other in our history.

Now I should like to mention a disappointment, Mr. Speaker. I had expected that the hon. Leader of the Opposition (Mr. Oliver) would have taken hasty opportunity from the hon. Prime Minister's announcement to heartily congratulate him; particularly so after his rebuke of the Government last session for lack of proper bridges and highways in Northern Ontario and a general neglect of the entire area. Every Liberal candidate in the riding for the last decade and a half has solemnly pronounced the necessity of building that road. Every Liberal candidate in the riding for the last decade and a half has promised construction of the road if his Party was returned to power.

So, I would like to suggest that the hon. Leader of the Opposition congratulate the hon. Prime Minister at his earliest opportunity. I realize if the hon. Leader of the Opposition follows my suggestion, he will be strengthening the hand of future Liberal candidates in my riding, and he will be adding an unmistakable lift to his Party's

organization and morale up there. It will be seen, therefore, that my suggestion is a magnanimous one and contains no ulterior motive.

We are all aware, Mr. Speaker, that highways are imperative to the full realization of the North's natural wealth. Impressive, therefore, is the list of links planned for the coming year in the trans-provincial super highway, the North Bay by-pass and some sections of the important trans-Canada highway, in the riding of Sault Ste. Marie.

The hon. Prime Minister (Mr. Frost) has rightly said of his \$153 million roads program: "No small-scale nibbling at the problem will suffice." All parts of this province will benefit from it, each with due regard for its immediate needs. As an example, while it is proposed to spend some \$20 million on roads in the central southern area of Ontario, even more than that will be spent for the north central and northeastern regions -- Huntsville, North Bay, Sudbury, Cochrane, Sault Ste. Marie.

In speaking in this House on the Throne Debate the hon. member for Kenora (Mr. Wren) said: "The cost of cropping our forests has increased and is increasing for no other reason than the fact that the best and the most accessible wood has been butchered to the point where the mills must now reach farther afield from the areas laid barren by wasteful forest practices."

Mr. Speaker, just a modest amount of horse sense is all that is required to know that up until a decade ago competition from British Columbia mills made it positively imperative for logging operators to cut none but the best and most accessible timber if they were to survive. British Columbia-manufactured lumber was being loaded on cars for as little as \$14 per thousand feet board measure, and an Ontario operator's financial existence depended on his ability to obtain the best and most accessible timber; this applies in equal measure to the manufacturers of pulp.

By the term "butchered", I presume the hon. member is referring to the prevalent practice of the day of slashing out undesirable species of timber, the immature sizes, and the unsound trees.

The member in Seat 33 speaks to the hon. member for Kenora (Mr. Wren) as a practical, experienced woods operator, and lumber manufacturer, and wishes to state that a decade ago we were just ending a period in which this province had undergone nine years of government by the Party to which the hon. member has by choice affiliated himself.

The Prime Minister of that day not only saw fit to dispose of great stands of pulpwood to United States interests; he also found it quite expedient to dam some rivers and dredge others at public expense in order to reverse water flow from Lake Superior back into it again so his

customers would find it convenient to use our rivers for the transportation of our pulpwood to their mills in the United States.

(E-1 Follows)

The hon. member (Mr. Wren) dismisses this action in the following words:

"In the depression years of the thirties, it might have proved difficult to restrict pulpwood exports in the face of mounting unemployment."

Mr. Speaker, those were the days in which the locusts ate, and the magpies flocked to the rice fields.

I may say, sir, it was just as necessary to use the slashing method of cutting in our forests in order to keep mills operating, and thus giving employment in the face of mounting unemployment. The hon. member for Kenora (Mr. Wren) can't take all the meat and leave all the parsley.

MR. A. WREN (Kenora): Mr. Speaker, would the hon. member for Sault Ste. Marie (Mr. Lyons) answer a question?

MR. LYONS: I haven't my earphone on.

MR. WREN: Where does the publisher of the Chicago Tribune get his paper from, to decry and to ridicule the Royal Family, which we so highly extoll? Will the hon. member (Mr. Lyons) tell me where he gets this paper from?

MR. LYONS: Would the hon. member (Mr. Wren) repeat that, please?

MR. WREN: I say, where does the publisher

of the Chicago Tribune get his paper, his pulpwood product, to make his paper to run down and decry everything that is said about our Royal Family? He gets it from our territory.

MR. LYONS: I am sorry, I did not hear the hon. member (Mr. Wren), but the sound resembled that made by a small boy when he is throwing crackers into a fan.

He further states:

"Mr. George Drew is quite rightly expressing Ontario Liberal policy when he affirms in his addresses the need for immediate insistence on the processing of our raw materials in Canada."

Mr. Speaker, just a few weeks ago, the hon. Leader of the Opposition (Mr. Oliver), speaking in this House, seemed very perturbed at the actions of the hon. Minister of Mines (Mr. Kelly) because he was permitting a United States Steel Company to spend about \$50 million to develop iron ore deposits in the province of Ontario without first insisting that the ore be processed in the province.

All this talk by hon. members of the Opposition confuses and bewilders me. I was brought up to believe it was the Conservative Party which was the protectionist party in Canada.

This apparent desire by hon. members of the Opposition to ride two horses reminds me of Buridan's donkey -- a hypothetical animal -- which suffered from the hypothetical dilemma of perfectly balanced but conflicting desires for two different piles of hay. Hypothetically he starved to death.

One of the hon. members of the Opposition said the other day that there was unregulated cutting in our forests. I would suggest to him that he administer a prophylactic against his despair as this statement is certainly a long way from the fact.

Each concessionaire in this province -- and I am speaking now of the large ones operating over fifty square miles -- must submit to our Department of Lands and Forests a master plan as to how he is going to manage that area.

Secondly, he must submit, before he proceeds with his operation for the year, an annual cutting plan which must meet with the approval of our forest management branch. He cannot start cutting until he gets a permit, and the district management group in each district, sees that the plan as laid down and approved is carried out by the men who hold the rights in this province.

Last year's record revenue return from our renewable natural resources is about three times that of any year prior to 1943. It was obtained largely from sale of timber on the stump, sale of fishing and hunting licences and rental of water power.

It has been the purpose of the Department of Lands and Forests in its intensive and widespread reforestation program, to replace each year the timber that is harvested from our forests so this wealth will never be exhausted, but, instead, be guaranteed as a rich annual crop in perpetuity. On a continuous and adequate supply of wood depends not only the future prosperity of the great lumber industry, but the very existence of countless other industries dependent on our forests for the raw material which enters wholly or in part into their products. Ontario ranks high in any assessment of the world's forest resources. It aims to stay there.

Announcing completion of the vast project of taking forest inventory, the hon. Minister of Lands and Forests (Mr. Gemmell) recently had this to say:

"For the first time in its history, a Canadian province now knows the extent,

variety, quality and potential of its forest wealth. The inventory has enabled us to plan the future rational development of our forests."

This inventory has taken nearly five years to complete and has involved the taking of hundreds of thousands of photographs from the air. These are now made available to the forest industries, to other government departments, and to all interested in our forests. Thus our forest products are destined to be Canada's most productive industry. The soundness of the development is indisputable, because it is based on the resources of nature -- and the resources of nature are the elements destined to raise Canada to the level of a great power.

MR. WREN: Mr. Speaker, may I inform the hon. member --

MR. SPEAKER: Order.

MR. LYONS: Now, Mr. Speaker, because I cannot add one cubit to the already apparent stature of this Legislature and because the hon. member for Kenora (Mr. Wren) wishes to say something, I would ask your gracious permission to resume my seat.

MR. WREN: Mr. Speaker, I would like to inform the hon. member for Sault Ste. Marie (Mr. Lyons)

that I do not know who wrote his speech for him, but if he will read the report of the hon. Minister of Lands and Forests (Mr. Gemmell) he will find the forest inventory and photographs he speaks of are far from completed. No one has ever criticized the efforts the Department made to take those inventories, but when the hon. member suggests they are complete, he is in error.

MR. A. CHARTRAND (Ottawa East): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, I want to apologize to the hon. Leader of the Opposition (Mr. Oliver). I sent him a note a moment ago in connection with the order in which matters would be called,

but there may have to be a change in that order. Mr. Speaker, I would like to call Order No. 50 before I call the other Orders, /the reason

I am in the unhappy position that I sent a statement to some of the Press and I find it is the papers, so I had better make the speech now.

UNCONDITIONAL GRANTS

Hon. Mr. Frost moves second reading of Bill No. 81, "An Act to provide for the payment of Unconditional Grants to Municipalities".

He said: Mr. Speaker, I take the blame entirely for what occurred, I sent statements relative to this matter to the Mayors, Reeves and weekly newspapers, but I did not anticipate a statement would go to the daily Press. As in the case of Bill No. 71, perhaps it should have been anticipated, However, I did not do so.

In connection with this Bill, Mr. Speaker, I should like to give the House a statement as to how these grants arose, and what the basis of them is. By no means was consideration given in a haphazard way. I can assure hon. members of the House this is a most difficult and complicated matter. I am giving to each hon. member of the House, the statement I released and I have taken from it excerpts from certain proposals which have been made to us by the municipalities over a period of some four years. The first reference I wish to make is to the submissions made in 1949 in connection with the protests about the one-mill subsidy.

The one-mill subsidy question arose from our desire for fairness and reality, due to rising assessments in some municipalities and the fact that a great number of municipalities had very low assessments. Then, Mr. Speaker, in 1949,

at the time of the introduction of the fire and police grants, there were protests from the municipalities, which have/continued. As a matter of fact at that time, I believe the honourable Mr. Blackwell, who introduced the Bill, partly in order to assist civil defence, felt this matter would rectify itself. As it turned out, the disparity grew and we received submissions in December, 1949, in that connection, one from the Ontario-Municipal Association in January of this year, in which they said:

"We appreciate your recognition of the financial plight of the municipalities by the appointment of a Provincial-Municipal Relations Committee to study and report on the whole matter, but we recognize that if the Committee is to do a job as announced by you, it will require an extended time."

There is nothing^{more}true than that, Mr. Speaker. The minute one comes to study this problem, one finds it is a problem which is going to take years to solve.

They said further:

"Inasmuch as the mounting financial burden of municipalities continues pending the Committee's report, and as the province now knows that it will be in a financial relationship with the Government of Canada over a period of years, the Association requests that you give favourable consideration to the payment of a per capita annual grant to municipalities to give

them some relief pending any readjustment based upon the Provincial-Municipal Relations Committee."

That submission, Mr. Speaker, was received this January.

One can go back to the 27th of October, 1950, in which submissions were made by the Mayors and Reeves, and to February 1st, 1950, when other submissions were made, and to December 19th of last year when the Provincial-Municipal Committee made its findings based upon considerations advanced by the municipalities and gave us their recommendation that there should be subsidies made to the municipalities based upon population and upon the size of the municipalities, these things, they felt, having some relationship to the additional social service costs which apply in the municipalities as they grow progressively larger. That, sir, is a very big order, and a very difficult one, and I want to deal with it with some care.

In Committee, we propose to make a change in the grant schedule, not in the amount of the grants, but in the formula which is used. We intend to introduce an amendment providing there shall be a basic grant of \$1.50 per head of the population across Ontario -- that applies in common to all

municipalities as being the basic grant -- and . . .
the grant then be increased by 10 cents, 25 cents,
et cetera as/^{provided} in the Act, up to areas
having a population of over 700,000.

The reasons for entering this field are very real, and I want to explain to the House the problem with which the Government has been faced and to which hon. members should give consideration. In entering the field of unconditional grants to municipalities on the scale contemplated, which involves an outlay of about \$12 million annually, we are breaking new ground in Canada. Indeed, there has been very little progress of this kind in the States of the American Union. New York State is the important exception. But before/^{deciding upon} the scale of grants adopted in this legislation, we made a very careful study of all phases of the problem. We analysed Ontario municipal expenditures and levies, including expenditures for welfare, arterial roads and similar services. We went carefully into the amounts being paid by the province to the municipalities in educational grants, into the one-mill subsidy and fire and police grants. We studied the grant system prevailing in other provinces and in the American States. We gave consideration to the briefs of the various municipal associations, all

of which recommended at one time or another, the termination of fire and police grants. The matter was also dealt with by the Provincial-Municipal Committee and the plan of legislation which is now submitted, . . generally follows all recommendations.

Since the termination of the fire and police grants was announced, on introduction of this legislation on the 25th of February, there has been no criticism insofar as I am aware. I have never received any protests from any of the municipalities about the discontinuance of these grants, and, as a matter of fact, we received general approval for the decision to retain the arbitration feature and certain other features in that particular legislation. The purpose of this statement therefore, is to give an outline of the grants themselves and the methods by which they are calculated.

Mr. Speaker, the basic grant to all municipalities is \$1.50, which will apply across the board, with increases to \$4.00, that is to an increase of \$2.50, depending on population. If two cities have the same population, they get the same grants; if two towns, villages or townships have the same population, they get the same grant. There is no discrimination.

You will readily see, Mr. Speaker, that two townships of exactly the same size with different assessment would receive different amounts. I do not for a moment say to the House that the population factor basis is entirely fair, but there is no basis one can arrive at that is more fair than that basis. In the investigations we made into the New York system, we came to that conclusion, and indeed population/^{as a basis} is recommended by the municipalities themselves, although there are some cases arising from the population factor in which there are some disparities.

All the evidence demonstrates that municipalities with larger populations are faced with larger per capita expenditures for municipal services and especially expenditures for welfare, social services and other matters, arising from larger concentrations of populations. Two years ago, the accounting firm of Clarkson, Gordon and Company, prepared for the County of York, a report showing the per capita tax levy of all Ontario cities in 1949 was 52 percent. concerning all Ontario towns and villages, with much higher levies in the cities with larger populations. The report showed also this was the experience in the American cities.

In the case of welfare services, the contrast is even more marked. Clarkson, Gordon and Company said in their report that per capita expenditure on social services in Ontario cities in 1949 was two and a half times greater than in the towns and villages; and the same situation, exists today.

A statement I have prepared for the year 1951 reveals the following amounts spent by municipalities for welfare services, consisting of Children's Aid, Unemployment Relief, Institutional care, and welfare administration. In all of the Ontario cities, large and small, the expenditure averages \$5.36 per capita. In all the towns and villages in Ontario it levels out at \$1.48 per capita. In all Ontario, townships have leveled out to about an even \$1.00 per capita on social services expenditures.

I have spot-checked that, Mr. Speaker, and in some municipalities of course it is quite low. In some municipalities in my own area social services run as low as 30 cents per capita. In some municipalities, of course, it runs higher than that average, but the average across Ontario, taking in townships which are contiguous to the larger centres, is about \$1.00.

While unconditional grants are higher for the more heavily populated municipalities, the province's grants for education and municipal roads now totalling nearly \$90 million are weighted in favour of the towns, villages and rural areas. They are slanted in favour of these communities because that is where the really urgent need for such assistance exists. After all, it must be remembered when you come to education, a municipality without industrial assistance, has a greater problem than a community which has industrial assessment. That applies also in the case of roads, To a small rural population the matter of keeping up rural roads is indeed a problem, and that is why the assistance in such cases has been so weighted. In cities, for instance, legislative grants run from 16 percent. to 24 percent. of the total approved cost of education, whereas in towns, villages or rural areas, the provincial assistance rises to 92 percent. Similarly, townships, villages and towns receive in grants from the province, a considerably higher percentage of their expenditures on roads, than do the cities, for the reason they have a larger mileage of roads to maintain with a relatively smaller per capita assessment.

(TAKE F FOLLOWS)

The same reason underlies the establishment of the new unconditional grant. I think the figures I will give to the members of the House may be quite surprising. These were all considered and weighed at the time, trying to arrive at the amounts.

It is a very proper question for someone to say, "How did you arrive at \$1.50 as the basic grant, How did you arrive at \$2.50 for certain other communities as a basic grant?"

We weighed these considerations, the cost of social services, the average for which in the cities runs from \$5.36 down to \$1 in the municipalities. If you take social services alone, that is not the true picture; as a matter of fact you cannot base it on social services only. Therefore another factor employed in arriving at the grant has been the general relationship which they have to the general tax level.

We have taken that factor into consideration also. In other words if you use an even grant across Ontario and put it on a per capita basis, you will find it running into fantastic results indeed. You find that the relationship to the general tax levy is

completely out of proportion. That was one of the complaints of the municipalities with relation to the 1 mill subsidy or any subsidy based upon assessment, that until you have in Ontario a constant assessment made with one yardstick, then you get the most fantastic variations.

In consequence of their comparatively low per capita expenditures, the basic grant of \$1.50 per capita to communities with populations under 2,000 will mean more to them than \$3 or \$4 to the largest cities and metropolitan areas.

Perhaps it might sound peculiar to say that a community which gets \$1.50 per capita gets more than a community that gets \$4 per capita, but that is the actual fact in relation to total levies. The fact is that the new grant calculated as a proportion of the municipal levy in 1951, rises in even progression from cities to towns, to villages and finally to townships. In the case of the cities, the ratio of the unconditional grant to the municipal levy in 1951 is 7.18 per cent; in the case of towns it is 7.44 per cent; in the case of the villages it is 8.07 per cent; and with the townships it is highest at 10.41 per cent. The details are as

follows: In 1951 in round figures the total tax levy in the cities of Ontario was \$84 million. The per capita amount rated in accordance with the formula which is before the House amounts to \$6,039,000, which is 7.18 per cent of their levy.

In the towns, \$16,969,000, the per capita grant is \$1,262,000 or 7.44 per cent of their levy.

In other words, the effect of the grant is to give the municipalities as they reduce in size a larger proportion of their tax levy.

In villages the total levy in Ontario was \$4,600,000. The grants will be \$371, and the percentage that bears to the total levy of the villages is 8.07 Per cent.

In the townships the total levy in Ontario was \$34,894,000. The total of their per capita grant is based on \$1.50, but in some cases runs/^{it} higher, notably in Toronto township. Their percentage of tax levy is 10.41.

That gives you an idea of the problems there were, and indeed, the problems there are, in arriving at a fair per capita grant. Those are the problems we endeavoured to meet.

First of all you have the cost of social services which start at an average of \$1 in the rural municipalities and in that average there are tremendous variations, running from a few cents up to probably \$1.50, But in the urban municipalities you have an average of \$5.36. That \$5.36 again varies greatly. In some communities the amount does not approach \$5.36; however in some communities, notably the community which receives the largest grant of \$4 it goes very considerably over \$5.36; in fact I think it is about \$6.00.

On the other hand, are you going to base your grant wholly on social services or are you going to say that is the basis upon which the settlement will be made? There again is the question of the total tax levy. We took an amount which slightly favours the smaller municipalities, which again have the least industrial assessment, but not to make a difference which would be as marked as it would be, for instance, in grants to education where they run from 92 per cent down.

As a matter of fact, if you did that, you would find you had an unworkable plan.

The total grants to rural municipalities run on an average just a trifle less than $10\frac{1}{2}$ per cent, and that descends until you get the average of the cities where it is 7.18 per cent.

Coinciding with the establishment of the new grants system, the one-mill subsidy and the fire and police grants will be terminated January 1st, next. This action conforms with the recommendation of the Ontario Municipal Association and the Provincial-Municipal Committee, which proposed the payment of per capita grants without strings attached. The one-mill subsidy, inaugurated in 1937, was not only uneven but very unfair to the smaller communities, because of their low assessments. Moreover, many of these smaller municipalities, with their volunteer fire and police forces, were not in a position to use fire and police grants as fully as the more populated municipalities. Thus, the new grant system, though graded according to population, will be eminently more favourable to the smaller municipalities than the former grants. It is recognized that no grants system

has all advantages and no drawbacks, but we believe that the new unconditional grants are a great improvement for all Ontario municipalities, large and small, over what has been paid in the past and that they will make a significant contribution to maintaining all our municipalities in a strong financial position.

There are one or two points I should like to mention. The first is this: We have heard a great deal of talk about giving to our municipalities additional tax sources. When that time comes -- and I hope to be able to get a few more things from the Federal Government in the way of vacation of tax fields which would certainly help the municipalities -- you will find the municipalities themselves cannot exercise fairly that tax source. Otherwise if you do, certain municipalities get all the money and others get none. You must have a central collection and distribution all across the board. You could take almost any of our taxes, for instance the amusement tax. If you were to give the amusement tax directly to the municipality, you would find, of course, that the municipality with a concentration of population would get everything, and the others would get

nothing. So there must be a central collection. I want to point out that in the distribution of moneys to municipalities you must have a basis upon which that can be done and one of the strong points of this system is that it provides the basis upon which assistance can be given to our municipalities on a planned basis. We have here a basic grant of \$1.60 across Ontario, and then we have the graded situation running up to \$4.

It may be in a couple of years desirable to increase the basic grants. It may be found there should be further assistance given under the escalator provision in connection with the social service problems and I would like to say to the House that you can talk lightly about handing social services to provincial governments such as this, or to the Federal Government, but that can never be done. I think the hon. Minister of Welfare will agree the municipalities must participate. I know the Leader of the Opposition will have found this was so, in his day as Minister of Welfare. The municipalities must participate in the matter of welfare services if they are going to be done

efficiently and economically for the people of the country. This is the only way you can do it and this being the case, the purpose of this grant is not to tie too many strings to the grants, in the way of expenditures, but to give them unconditionally on a graded and scientific basis, taking into account the various matters I have mentioned. The other problem is this: in giving such grants as these to our municipalities I again assert that it should be a time of economy on the part of the municipalities. Next year, in 1954, with these huge grants going to the municipalities there could easily be a general tax reduction in all the municipalities in the province, and this is what I think the people want. I think this attained can be done and a tax reduction can be/ in all the municipalities of Ontario. I would say this particularly applies in the rural municipalities where the grant amounts to $10\frac{1}{2}$ per cent of their tax levy. Some ^{hon.} member may rise with the question, "Why do you not make this applicable this year?"

The members of the House know very well that you cannot leave a quarter of the population

of Ontario out of this picture and is what would happen if you disregarded the Metropolitan problem. Many of the municipalities already have reduced their taxes, and I would say to the hon. Minister of Municipal Affairs it is very encouraging to see very large reductions in taxes in this Province which I hope will be continued next year. In Toronto it is half a mill, and on their assessment that is a great deal.

I hope with careful administration this will be carried on next year. In Ottawa it is 3 mills. In Toronto townships it is as much as 30 mills. The grants they receive on the basis of population in Toronto township is 2.25, I think. The figures were placed before the House, but in any event there ought to be very substantial assistance to all these municipalities. them.

I would say to give the grants this year would violate what the Municipal Associations have all asked us to do. They have asked us not to change conditions until the end of the year. If we did change them at the present time on municipalities which have their tax rate fixed, obviously they could not levy for a

tax reduction, and I would think some of them instead of putting it in the bank might spend it. I am hopeful this money will be used to ease the burden of the municipal taxpayer, and I hope 1954 will see that done.

MR. OLIVER: The grants referred to by the hon. Prime Minister in relation to Bill No. 81 raises some rather fundamental problems which I want to discuss for a few moments this afternoon. The hon. Prime Minister is quite right in saying the institution of this type of unconditional grant is a new thing for the Province of Ontario and it goes to all the people in the province. In the first place I do not like this particular grant in this respect: I doubt very much if this grant on a per capita basis will work out over the long pull.

I think you must have another combination with the per capita basis, another yardstick, before this will be completely fair and satisfactory to all the areas and municipalities. I have in mind -- and I think the hon. Prime Minister will agree -- ^{that} in this system inaugurated by this Bill there will be unfairness.

There will be inequality. The Bill itself, will not correct these things and it might be a year from now before we will be able to assess these inequalities in their proper light and make whatever changes are necessary.

On the broad picture this Bill puts a dollar rate on all the citizens of the Province and differentiates between people in various localities and areas and municipalities.

HON. MR. FROST: That is what the Municipal Associations have all asked for. They want it on that basis.

MR. OLIVER: The hon. Prime Minister will appreciate that there is an over-all danger in saying to the residents of one municipality, "You are worth and you will get additional grant of '\$4", and to another municipality which may be ten or twenty miles away, "Your grant will be a \$1.50." There is a basic difficulty there.

HON. MR. FROST: The hon. Leader of the Opposition will see the problem. Supposing, it is considered, as a straight percentage of the tax levy, you get more glaring inequalities than way by taking in all the townships.

MR. OLIVER: I think we will find as we make progress with this type of grant that the per capita basis alone will not be sufficient to deal fairly with the people of the various municipalities.

There is another point I want to bring up, and I am glad the hon. Prime Minister mentioned it this afternoon. There are rural areas in this Province, small cities and towns which consistently over the years have been losing population to the larger centres. This has become at times an alarming situation. As the years have gone by they have little left by way of manufacturing or population. One thing to which we should make up our minds in this Province, is that the strength of this Province as a whole lies not in making the large centres larger still, but in creating and rejuvenating in vast areas of this province a new and healthier spirit.

I do not know this afternoon just what we can do to materially bring that about, in respect to these grants, but the hon. Prime Minister has said the grants are tilted slightly in favour of the outside municipalities. In

respect to the educational branch, the hon. Prime Minister is quite right. They are tilted to a greater degree to the benefit of the outside municipalities, and we are going to find as we move along if we want to be fair to all sections of the Province that the same sort of "tilt" and the same extent of "tilt" we have in educational grants will have to be made in these per capita grants before you serve fairly all the various areas of the province.

In connection with what the hon. Prime Minister mentioned first regarding the large areas where you get \$4 per capita grants, they have very large expenditures for social services and welfare work, but what should be pointed out and never forgotten when we are discussing this broad matter is that not only have they these large expenditures, but they have a very much larger basis of taxation, a basis of taxation which is not available to the towns and townships and so on. The disparity in the grants can be argued and defended on that very ground itself, to say that the expenditures

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for social services are larger, but to forget
at the same time that the basis of taxation
from which the ^{is received} tax ^{is} much grater, and it **is**
also much broader and more realistic than it
is in various areas of the Province.

(Take G follows)

I am afraid this legislation, Mr. Speaker, will only accentuate and perpetuate the inequalities which presently exist, and we have to go deeper into this before we are able to deal with the problem fully and adequately. The grants you say are now tilted slightly in favour of the outside areas, but before we are going to have a measure of fairness in respect to the grants, they must be tilted a great deal more than they are in the Bill before the House.

HON. MR. FROST: Mr. Speaker, I know the hon. Leader of the Opposition (Mr. Oliver) will be interested in these figures. I looked for the file for his own riding, but I do not have it before me; I can give you my own riding as typical. I think this is about the way it is worked out in Ontario.

The Town of Lindsay is in the two-dollar class; last year they received \$11,826. in fire and police grants, and under this Bill they will receive \$19,206, something less than double the amount they receive now. Bobcaygeon, for instance, is receiving \$880, and under the new system will receive \$1.50 subsidy, amounting to \$18,011, which is more than twice as much. Fenelon Falls was receiving \$665, and now will receive \$1,956, which is about three times as much.

MR. OLIVER: Has the hon. Prime Minister the figures for Toronto?

HON. MR. FROST: Yes, I can give you those from memory. On the other hand, in a village like Woodville, which has a population of about 400 people, they have no fire and police departments, and are getting a one mill subsidy; they receive \$53 from us at the present time, and under the new system they will receive \$561. Taking the villages across the board you will find it evens up, and it gives them up to three and four times more than they received before.

I would like to give the hon. Leader of the Opposition some figures on the rural municipalities. The Township of Becksley, which lies on the edge of the rough country, and is more or less of a ranching country, at the present time is receiving no fire and police grants; they are receiving \$38 from the one-mill subsidy system, and under this provision will receive \$194, which helps to put them on their feet.

Consider a township like Emily; they receive \$432 now under the one-mill subsidy, but under this arrangement they will receive \$2,308; whereas Lindsay gets less than twice as much.

The Township of Mariposa, which I often quote to my municipal friends who laugh when they hear the name -- it was Stephen Leacock's name, -- has a population of 7,018 and receives \$675, but under this new plan will receive \$4,349.

The hon. Leader of the Opposition will see what I mean by "slanting the grant" to them.

MR. OLIVER: The overall slant is only three per cent.

HON. MR. FROST: They are getting seven times as much as they were getting under the old system.

MR. OLIVER: But the overall slant is only about three per cent.

HON. MR. FROST: I do not know how the hon. Leader of the Opposition calculates the three per cent. Let me give you some of the developmental areas. I often tell my friends that in my counties, Victoria and Haliburton, I have a cross-section of Ontario. In Haliburton County I have people on farms, settlers, areas with mines and water power and what-not. Consider the Township of Dysart, which has some seven unsettled townships under its administration, but the population is centered in the Township of Dysart. Dysart has more people than some ridings represented here in this House. Dysart received on the one-mill subsidy, \$102, and under this they will receive \$4,680. They have a population of 2900 people, with a very low assessment, with a very low subsidy on the one-mill basis.

The Township of Minden, also another developmental township which is growing very rapidly -- they even have a liquor store there

now -- has a population of 1,610. They receive \$389; under this legislation they ^{will} receive \$2400.

For the City of Toronto, I would have to look these up, but my recollection is that the fire and police ^{grants} give to Toronto about \$1 million; that is to Toronto proper. Now, of course, their grant goes to the Metropolitan Area, but I think their grand total would be \$4 multiplied by 670,000, which I think works out to about \$7½ million. Toronto itself would get about two and a half times as much.

I know you may say: "Well, Toronto gets two and a half times as much," but hon. members of the House will recognize the immense problems this area has. As a matter of fact, to keep their tax rate level, even with these grants, with the surging demands of this great growing area, is going to be difficult enough. On the other hand, I think with wise administration Toronto and the Metropolitan Area will generally have reductions in taxation. I would forecast very marked reductions for North York, East York and Scarborough, as well as some of the others.

To satisfy the hon. member for St. Andrew (Mr. Salsberg), I would say that Toronto should be better off with this grant system and with its application to the whole area to the extent of ABOUT \$1,300,000. I have forgotten what one mill means in Toronto, but one mill in Toronto

means very much more than it does in some of these townships I have mentioned. Some of these townships have tax rates of 200 mills, 250 mills. It should give assistance to the extent of about one mill here in Toronto. I can assure you I would be glad to give all of these figures to any hon. member of the House. This is a very complex, difficult problem, and one you can study a very great deal.

I have come to the conclusion that there is not a fairer basis than population, but I would agree it is not absolutely fool-proof. It may be in the course of days to come other factors will have to enter into the picture, but I think that by and large it is as fair a basis as you can arrive at, taking everything into consideration, and the percentage figure which we have used in calculating these things brings in a pretty reasonable situation. You can see, for instance, that a \$1.50 subsidy produces marked changes in Dysart, but if you increase that to \$2 it places it out of line with reality, and does not put the emphasis in the proper place, and that is on these areas like Toronto and the Yorks and Windsor and other places like that.

MR. OLIVER: May I ask the hon. Prime Minister if the twelve outside municipalities come in on the \$4 rate in the Metropolitan Area?

HON. MR. FROST: Yes, that is right.

HON. MR. DUNBAR: There is one point which I think has been overlooked in connection with the rural municipalities. This is just to replace the police and fire grants; it is not to replace the grants for homes for the aged or for children's aid; they go on just the same. Previously the children's aid and the grants for the homes for the aged were included with the police and fire, and if it came to more than one mill they received the more, but if not, they received/one mill. This is just to replace the police and fire/and they continue getting their grants on the homes for the aged and children's aid.

MR. W. J. GRUMMETT (Cochrane South): Mr. Speaker, I might say at the outset I am in favour of the Bill and I am going to support it. I think the hon. Prime Minister (Mr. Frost) has said practically all that can be said as to the difficulties of setting up a formula on which to base these grants. I think the per capita formula is the best one we can use. For instance, regarding assessments, some municipalities assess at 50 per cent of the value, others at 60 per cent of the value of the property, and so on, and until we get an equalized assessment all across Ontario the assessment basis for making these grants would be completely out. Suppose we had an equalized assessment all across

the Province, what about a municipality which is wholly residential? A small town which is completely residential,^{peopled by} /retired farmers or those who have come out of professions, and so forth, and then alongside of it we have another municipality almost completely industrial. How could you prepare any formula which would meet cases of that kind? All in all I think the only fair basis, on which you can set up the formula is on the per capita basis. Perhaps there are some inequalities in that set-up, in that we raise from \$1.50 to \$4, but as time goes on these inequalities can be ironed out; we will quickly see the difficulties and amendments can be made to the Act to iron out these little inequalities.

In the long run I am supporting the Bill, and I commend the Government for bringing it in, in this form.

MR. SALSBERG: I would like to ask the hon. Prime Minister a question. He may have given the information but it slipped by me. What is the average of this grant?

HON. MR. FROST: As a matter of fact the average grant is not particularly relevant; it has no relation to anything, but the hon. member could get it by dividing five million population into twelve million dollars, which would be about \$2.40.

MR.H. C. NIXON (Brant): May I ask the hon. Prime Minister just how the population of these municipalities is determined?

HON. MR. FROST: That is a good question, and was another difficult problem. We have found some municipalities in Ontario which grow fantastically when population means anything. One municipality thought they would get a different liquor set-up if they raised to 50,000 had their population raised by 20,000 people overnight. It is difficult to base it on that. What we did was to take the 1951 census, as was done in New York City; to which we sent one of our men. As a matter of fact, I think our Dominion-Provincial Committee went down there and discussed the problem with them. They based it inflexibly upon their ten-year census. We base it also inflexibly on the ten-year census, except if it is shown that the population has increased by seven per cent then the subsidy is based on seven per cent and that is taken as the next starting point.

I might say that many of our municipalities in proposing the population basis have done it on the assumption that they then know what they receive. It is there and there are no variations, and they can use the money. It is very difficult to find a solution which meets every one of the problems in these municipalities. You may say:

"How are you going to arrive at seven per cent?" About the only way we can arrive at it is to leave it to the municipality and the Department of Municipal Affairs to agree upon a method.

We look at the matter of school attendance, but as the hon. member for Cochrane South (Mr. Grummett) knows, there are municipalities where the children are all on the register of a school that is in another municipality, and, therefore, it is not accurate. We do not want to be placed in a situation where we have to take a census in a municipality, because that costs a lot of money, but it should be possible to arrive at a yardstick by agreement.

It is our estimate that the seven per cent increase in the Toronto Area will take place by 1955, and if that is the case the Toronto area should receive \$400,000 more by reason of that seven per cent increase. We take that from the best statistics we can get, the Dominion Bureau of Statistics, and other calculations which we have. How that can be determined, as I say, is going to have to be a little bit of collective bargaining.

MR. SALSBERG: Mr. Speaker, I would like to put this question arithmetically, and that will make it very brief. The Association of Reeves and Mayors have asked the Government for a \$5 per

grant until a more radical improvement is brought about. What the Government is giving them is what amounts to an average of \$2.40, and that takes away the fire and police grants, which leaves an amount of far less than \$2.40. Algebraically speaking, it can easily be brought down to what x stands for, and that is all they are given.

HON. MR. FROST: If the hon. member for St. Andrew draws that doleful picture I cannot say anything to cheer him up.

HON. MR. DUNBAR: You would not seriously consider giving every municipality in the Province of Ontario, over and above what they are getting, \$5 per capita? You would not want some municipality paying a dividend, placing money in the savings bank, and that is what would happen. It is so silly when you look at it. There are municipalities where it does not cost \$5 per capita to run the municipality for two years.

MR. SALSBERG: Your Department could teach them.

(H-1 follows)

THE OLEOMARGARINE BILL

Mr. Wren moves second reading of Bill No. 135, "An Act to amend the Oleomargarine Act."

He said: In moving second reading of Bill No. 135, I realize full well the disposition which might be made of it and I realize the misconception which has already been placed upon it. I know that the government with its preponderating majority can vote solidly against the Bill and defeat it or they can use a privilege of equal effect and hoist the Bill for six months. Whatever course might be followed I serve notice now that I will call for a recorded vote on this issue for there comes a time in all our lives when issues must be faced fairly and honestly.

It has been suggested to me that passage of this Bill would aid in the ruin of the dairy industry, a suggestion which is first refuted by the fact that this House, in its wisdom, passed legislation permitting the manufacture and sale of margarine. If the dairy industry faces ruin from the use of this product then this government and everyone in this House who supported The Oleomargarine Act are responsible for the purported ruin of the dairy industry; certainly not

anyone who supports this amendment to the Oleomargarine Act.

Reduced to simple terms, the enactment of Section 4 of the Act was bad law; bad in application and bad in principle and for that reason I seek its repeal. I seek the repeal of Section 4 only because the passage of The Oleomargarine Act in 1949 established, in the opinion of the then Legislature, that the use of Oleomargarine in Ontario would not ruin the dairy industry. If, in its concern for the industry, this government had introduced legislation prohibiting the use of margarine the argument might have been relevant but to argue against the repeal of Section 4 is to admit that the original legislation was wrong and that a serious mistake had been made. At the time of passage of the Act the Provincial Council of Women inform me that the present hon. Minister of Agriculture (Mr. Thomas) was opposed to the colour ban in the legislation and I submit that every conscience thinking hon. member of this Legislature agrees with that thinking.

I have no desire to do other than help the Dairy Industry in Ontario and I feel most strongly that steps should be taken by this

government; steps must be taken by this government, to aid that industry in an extended program of research into production and merchandising methods and in the sales promotion of certain specialized milk products. Yes, if even half the three-quarter million dollars which the Chairman of Hydro spends annually on promotion of a publicly owned monopoly were spent in the promotion of the Dairy Industry, a ready and useful change would take place. Statistics of the Ontario Department of Agriculture prove conclusively that the production of butter has lessened through a reduction in the number of milk cows; the reduction in the number of milk cows came about through export of this livestock to the United States, a situation temporarily halted by the unfortunate hoof and mouth outbreak. We have been importing butter since 1915 and as long as the industrial expansion of this province continues, our imports of butter will increase unless positive aid is given the dairy industry in the expansion of herds and in research and promotion of the industry's products. The question of colour or no colour in margarine will not affect the situation, rather it will leave the public impression that the individual dairy farmer is unfriendly to the working man, an

impression which is most unfair. What we must do is examine the needs of the dairy industry in a practical manner and offer to that great industry the means of harnessing its potentialities with that of this great industrial province, so that the Dairy industry and other industry will march across the pages of history as partners in a great enterprise. We will solve the difficulties of no industry by the continuance of discriminatory legislation; we will solve those difficulties, and they can be solved, by facing the problems squarely and with courage. That the Dairy industry faces serious problems, I have no doubt, neither have I any doubt that many of those problems can be resolved and relieved by determined study and by positive assistance to that industry, to which there was no reference in the Budget address this session. The continuance of Section 4 on the premise that it aids the dairy industry or that repeal will harm it is actually only a postponement of the responsibility of government, and this Legislature, to the need and the work of working out a solution. I fear that certain officers of Dairy organizations are reluctant to place these facts in their proper light for they are political too and are reluctant perhaps to tell

their members that they have failed in producing an answer, or seeking to study the answer, to their problems. I have talked with eminently successful dairy producers who share this opinion with me and who agree that the colour of margarine is no answer to the problems of the dairy industry. I suggest again, give us the resources in money which you so generously bestow upon Lord Kilowatt, much of which comes from the farmers' pockets, and we will find some solutions which will more than repay our expenditure in money and effort.

Rather than that we seem prone to fall back on politics and Mr. Speaker, the main concern in this matter is not what is good for the dairy industry or for the oleomargarine interests, it is the immediate application of thinking of effect on the farm vote and on the urban vote. No hon. member in the House today but whose thinking is that alone. How will it affect the Federal election? How will it affect the next Provincial election? If I vote for this Bill today, will it alienate the farm vote or will it enhance the urban vote? Mr. Speaker, approaches to the many fundamental problems of our times on the basis of political expediency can only lead to one of

two results. (1) Our handling of basic public questions will continue to be costly and barren of realistic application or (2) other parties or groups within those which we have will arise which will, with courage and determination, sweep the imagination of all the people of Ontario, the majority of whom desire that direction and leadership to be given to all our industry and resourcefulness, without discrimination.

We cannot fail to recognize the difficulties of the Dairy industry, unrecognized in the Budget, but those difficulties can be resolved and I would be pleased and honoured to lead in whatever humble contribution I might make to the solution of those difficulties and perhaps an outsider's point of view, shared with expert opinion, might be that which is necessary to bring out these changes which might be necessary to synchronize all agriculture with other industry. Then too I cannot fail to recognize those hundreds of thousands of working people whose circumstances are such that they must find some healthful substitute for a product which their income or circumstances cannot permit. And in so saying, I think too of distinguished gentlemen and ladies whose principles and dedication lead

them into lives of dedication to service of their fellow man but whose income by the very nature of their dedication is restricted to only the basic needs but whose contribution to our society is nevertheless overwhelmingly significant. Should the dairy farmer be unjustly accused of censuring these people?

Mr. Speaker, I care not one whit for lobbies, whether those lobbies be of one industry or the other. I was sent to this place of honour to honestly and conscientiously decide that which was best for my people and for the people of Ontario -- and that principle I will follow in spite of the most persistent lobbies and in spite of suggestions of any group that my utterances and my actions should be tempered by political application. The sooner those suggestions become acceptable the sooner the principle of responsible government disappears. To my mind responsible government is a responsibility; a responsibility to meet all public questions squarely, a guarantee to the citizen that lack of courage, or examination, or determination, has not been substituted for some obvious instrument of political shenanigans which lead away from the fortitude required to

resolve a situation instead of demanding close grips with an enemy or situation which threatens a segment of our society.

The repeal of Section 4 is, I argue, an inherent responsibility of this House, regardless of party lines; we have first a responsibility to all our citizens be they Conservative, Liberal, or C.C.F. We must tell the people of Ontario that we abhor the principle of Section 4 in denying our homemakers the right to purchase a recognized food product in a form most acceptable to them. We must tell the people of Ontario that we likewise recognize the need of a close examination of the dairy industry with a view to enhancing the important position this industry holds in this province. We must tell the people of Ontario that we are prepared to set aside political considerations where established industry or projected industry is in jeopardy from political construction of applied thinking. We must tell the people of Canada that Ontario is prepared to produce an industrial economy which will guarantee the fullest of opportunity of development to those with imagination and fortitude. We must tell the people of the world that we need not resort to practices of Fascism, Nazi-ism or Communism

is selecting groups for discrimination.

Alternatively we must tell all freedom-loving people everywhere that Ontario is prepared to go forward, recognizing that all classes of our population might feel free to develop their skills and that their honest efforts will not be marred nor soiled by application of legislation directed against them. I sincerely believe that farmers, and workers, and housewives, share with me an eagerness to help any group within our population which by force, or circumstance, find themselves in a difficult or impossible situation.

I trust, and have faith in, all these people; I want to see them march forward together; arm in arm in an example of progress in this great nation one trusting the other, each determined to recognize the other; labour coupled with the farmer; free enterprise hailed from the rooftops whether the enterpriser be a bargainer for better farm prices, for better wages, or for an equitable price for his product and enterprise.

HON. MR. FROST: Mr. Speaker, I have listened with interest to the remarks by the hon. member for Kenora (Mr. Wren), While I will make some further reference in a moment, I want to say this Bill was very fully considered by this House

just four years ago at this time. Before I do that, however, I would like to refer to some of the expressions with which he garnished his argument. I do not find a great deal of argument in it, except he "wanted to have goodwill in the province," and "have a partnership," and "did not want to hurt anybody," but "wanted to make things run smoothly." The hon. member made some very pious references to "political expediency". If there are any dangers in connection with this Bill, it might have been "political expediency" not to call it at five o'clock in the manner I did, but I think this is a matter which we might as well bring out into the open, and let the people have a look at it. The Government agrees, as indeed I think all hon. members of this House generally do, there should be direction and leadership given. At times, you have to give leadership to things which are tough, and where there are misunderstandings, and I do think in this case, where we see all these different viewpoints, it is time to talk to our people, and put things into prospective, and put the matter into a position where the people can understand the conditions with which we are faced in this province, and what we are trying to do for our people.

The references by the hon. member to "political shenanigans" did not strengthen his argument, in my opinion. I have been in this House, both in the Government and in Opposition, where the hon. members have been of all sorts and complexions. I have sat in Opposition with a very small number, while the Government forces had a large number. I sat in this House when the Government had 38 members, and the combined Opposition amounted to some 53. That was a very happy time for the hon. member for St. Andrew (Mr. Salsberg).

May I say, Mr. Speaker, in all of those days in this House, I always found the hon. members not being influenced by "political shenanigans", but they tried to do a fair and honest job for the people, no matter what their political affiliations were.

I would like to go back in the history of this House to 1949, at about this time of the year. There were 53 Progressive Conservatives; there were 21 members of the C.C.F., for some of whom I had considerable admiration, including their leader, Mr. Jolliffe. There were 14 members in the Liberal group, and 2 Labour Progressives. May I say to the hon. member for Kenora this

matter was debated fully, honestly, and conscientiously by hon. members from solely urban ridings. The Trade Union movement was well represented. I think in the C.C.F. there were 14, and when the vote on the Bill was taken, this Bill which the hon. member for Kenora says is so unjust and so unfair, there were only two hon. members voted in opposition, and I well remember their familiar names, the hon. member for St. Andrew (Mr. Salsberg) and Mr. McLeod, who never voted for anything, or in favour of anything at any time. The hon. member for St. Andrew and Mr. McLeod were the only two who voted against this Bill, four years ago.

Amongst those who gave it consideration was the hon. member for Ottawa East, (Mr. Chartrand,) and I am sure he gave the matter honest and fair consideration. Then there was Mr. Dennison, Mr. Easton, Mr. Ellis, Mr. Fell, Mr. Harvey for Sault Ste. Marie, Mr. Ilsley, Mr. Jolliffee, Miss MacPhail, Mr. Millard, the hon. member for Brant (Mr. Nixon) still an honoured member of this House, and the present hon. Leader of the Opposition, Mr. Parks, Mr. Scott for the Beaches, the hon. member for Ontario (Mr. Thomas), still in the House, Mr. Thornbury, and Mr. Walters.

I do not see the name of the present hon. member for Cochrane South (Mr. Grummett) in the recorded vote, but I have no doubt had he been here, he would have followed his Leader and voted for this Bill on the facts and ^{for the} reasons given.

This matter covers a very important industry, and I have said to some of the farmers, and others, that it is about time they told their side of the story to the people of this province. After all, people are fair. It does not matter whether they come from the cities, the towns, or the country. I think in this House it is a good thing to tell the people the reasons which are behind the Oleomargarine Bill, which is on the Statute books of this province.

I notice very large sums are being expended by the Oleomargarine interests, which must involve many hundreds of thousands of dollars, and perhaps more. They asked the people to sign a pledge. I notice in the advertisement there is reference to the people of my riding, I am prepared to go back to Victoria County and discuss this matter with my own people at any time. We passed this Oleomargarine Bill in 1949, and I went back to my own riding in 1951, and I think I received some 85 percent. of the total vote,

so I think the people of my riding feel we did the right thing.

They are asking the people of my riding, innocent people who do not understand the import of it, to sign a petition, and it reads:

"I wish to protest the margarine colour ban. This is above Party politics. I hope you will vote to put the yellow back in margarine."

Mr. Speaker, when was there ever yellow in margarine? How can you put anything back, when it was never put in, and is not in now? These people are spending large sums of money to put this before the people of this province.

The petition goes on to say:

"I sincerely believe that most Ontario people feel as I do, that this law is unfair, and absolutely unnecessary".

Mr. Speaker, if the people of this province, and the people of my riding, were asked to sign something like this, "I hereby protest the duties imposed by the Federal Government on automobiles and parts thereof, which will increase the cost of the car I desire to buy by several hundred dollars", I believe in Victoria County, I could get 10,000 signatures in no time. If I could say to them, "If you sign this, you will get \$500. or \$1,000 off the price of your car",

you would have no difficulty at all.

As a matter of fact, in the face of this advertisement, it is surprising that I have received so few. I do not think I have more than a handful of these things, which have appeared in the newspapers.

I am quite sure were a protest to be made in regard to automobiles, the Federal Government would be flooded with tens of thousands, perhaps hundreds of thousands of protests, signed by people on the spur of the moment, without thinking of the implications which are involved.

(TAKE I FOLLOWS)

The agricultural people of Canada, who form a large section of this province, in the last three-quarters of a century or more have supported tariffs which, at first, seemed to be detrimental to their interests. That has been the case in this province; they have supported tariffs on farm implements, and today on automobiles. May I point out to the hon. member for Ontario (Mr. Thomas), they have done this for reasons I shall be glad to give.

Industry and the development of Canada's natural resources have been fostered and expanded by protection to industry. Such communities as Windsor and Oshawa would not have been possible except for such a policy, which is still recognized in a very substantial way in the tariff provisions of this country.

Mr. Speaker, this is true of industrial areas far and wide in our country, and today these communities are providing great markets for our agricultural products. In other words, the agricultural communities in this province were broad enough years ago in the formative stages of this country to support policies of governments at Ottawa, both Liberal and Conservative, and while at first sight it appeared it would be disadvantageous to them, nevertheless they were calculated to develop this great country. That, Mr. Speaker, is the way we must look at this

problem. These people from rural areas were broad-minded enough to vote in favour of some apparent disadvantages to them in order that they might develop this country and develop the market which they enjoy today.

Our problem of protecting and assisting a great basic industry involving 500,000 people, one in every ten of our population, is involved in the principles of this Bill, the principle which was considered most painstakingly in this House four years ago, and which led every member of the C.C.F. Party, most of whom were union leaders, to support the Bill. Please remember, Mr. Speaker, we had all these arguments at that time.

Concerning these 500,000 people of whom I speak they are not simply 500,000 we can get along without; these are people who provide a market for farm implements, automobiles, and manufactured goods of every kind. Their capacity to buy goods manufactured in Toronto, Windsor, Oshawa, Lindsay and any other place is a very fundamental part of our capacity to maintain the standard of living and wages which we have in this province. If we let the dairying and farming industry go by the board and become a depressed industry, then the standard of living of everyone in this province is going to be affected and every person in this province is going to be affected by this.

At the time this Bill was considered in 1949 some of the other provinces went much further than we did here. The provinces of Quebec and Prince Edward Island totally banned margarine, and it is still banned there in any form. Our farming industry in this province took a very broad view, as the hon. Minister of Highways (Mr. Doucett) said yesterday. They took what I thought, and what this House thought at the time was a very fair position. The farmers simply said margarine was food the people could use; they felt, however, and they feel now, that margarine should be sold as margarine and not as butter. That is the whole issue.

It is not a question of banning margarine; it is a question of preventing its sale as butter, and I refer to some things which have been happening right in this province and which shall cease to happen in a few days.

Mr. Speaker, farmers have felt the colour of butter was their trade mark. It is quite true that at certain times of the year colour is put into butter, but that is because the natural colour of butter when cattle are on pasture is a yellow colour which we accept as the colour of butter. This colour, the agricultural interests felt, and feel today, is their colour; it has been theirs for a thousand years or more. That is their colour, their trade mark, and it is part

of their product; they felt they are entitled to protection from that standpoint, and this House, Mr. Speaker, almost unanimously accepted their point of view.

It is all very well for people to talk lightly of disregarding this protection, but what has been the effect of so doing elsewhere? I understood the hon. member for Kenora (Mr. Wren) to say this really would make no difference, that all it would do would be to ban discrimination -- I suppose on the basis of colour; I do not know about the other two points,

What are the facts? I ask the hon. member to buy "Time", "Life" and "Newsweek" of last week and see what the problem is in the United States. In some of the states of the Union this has been done, with the result that one of the greatest problems of the Eisenhower Administration is now the supporting of the dairy industry, and it is being supported over there by millions of dollars in taxes, and there are growing supplies of butter on hand. Why? Because margarine is obviously being sold to their people as butter. That, Mr. Speaker, is the cause of it.

If that happens in this province the standard of living of our people is going to be affected. Our economy is a very complex affair; the prosperity of us all depends upon the prosperity of the basic industries. That is why the people of this

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If that happens in this province the standard of living of our people is going to be affected. Our economy is a very complex affair; the prosperity of us all depends upon the prosperity of the basic industries. That is why the people of this

province and the people of this country have supported protection for industry. At this time the problem is particularly difficult. I hope the hon. member for Kenora had a little twinge of conscience when he listened to the radio this morning, if he did so, concerning the dairy problem in the United States. The United States today, due to dairy problems arising from this very matter of margarine and edible oils, is finding it necessary to impose bans on the importation of Canadian dairy products. In other words, their problem is so acute they say: "You Canadian people who have been buying our stuff, get out." That means to keep the dairy people going we have to find another market. That situation arose today.

Mr. Speaker, is this a time to remove protections which enable the dairy industry in this province to get along? If there is ever a time to change the colour, is this the time to do it, when the industry is faced with such problems, when it is having difficulty getting along? It is natural, perhaps, for us to send advertisements like ^{this} to a housewife and ask why under some circumstances she should not be able to buy margarine coloured like butter, but, Mr. Speaker, none of these advertisements tell her that by so doing she would be helping to keep her menfolk out of work and prevent them from providing wages to raise the family. You cannot ruin 500,000 people in

this province, and a great basic industry, without having this reaction on the work and wages of our people.

This, Mr. Speaker, is where I come to quote "Old Victoria." I saw in the paper today that some of my people there have said they want colour in margarine, very much as they would if I went to them and said: "Would you like to buy your automobile a thousand dollars cheaper? Sign this and that will be the case." If the same person went to that housewife and told her that if she insisted on having colour put in margarine, she would have her family out of work, do you think she would ask for it? She would be the very first person to say she did not favour removing protection for the dairy interests and the farmers. I am satisfied to go to my people and tell them that, and on the same basis, Mr. Speaker, I am satisfied hon. members of this House will reject this Bill because it just does not add up, it is only a corner of the picture. We have to look at the whole picture. If it is fair to give the people a statement, they should have the whole picture and not just a corner of it.

MR. WREN: Mr. Speaker, may I ask the hon. Prime Minister a question? I think he will remember I said this Bill was a question of application of colour to margarine. If what

the hon. Prime Minister said is true, that the simple application of colour to margarine is so dangerous to the dairy industry, why does he not now recognize that it was a mistake to pass the Bill in the first place, and repeal the whole Bill?

HON. MR. FROST: Mr. Speaker, I may say quite frankly that hon. members of this House who come from farming areas, would at that time have preferred, perhaps, not to have margarine.

MR. WREN: Why pick on colour?

HON. MR. FROST: Does that answer the question of the hon. member? The agricultural industry came to us and said: "This is a food; it can be sold cheaply, and we have no objection to its being sold provided it is not sold as butter." That was the answer.

If the hon. member for Kenora wants to see where the application is bad, let him go to the United States and see what is happening there through the colouring of margarine. If I meet him tonight, I will buy "Life" and "Newsweek" for him, so he may read the real story. The Secretary of Agriculture in the United States is at the present time faced with the greatest of problems because of the fact margarine is being sold there as butter. That is the problem, Mr. Speaker; it is as simple as that.

These campaigns are financed by interests. This type of advertisement I have here is being financed by interests who are quite satisfied to sacrifice the dairy industry, or any other, if by doing so they can make some money. I ask hon. members of this House, until a few days ago did you ever hear of the Edible Oil Institute of Oil Foods? I must admit I had not myself, but it seems to be one of these things that grows up over night. I wonder who is putting money into this? I wonder who is paying for all these advertisements? I wonder who is behind this. Who pays for the statements? There must be huge profits, and I shall give the hon. member for Kenora an example of that in a minute.

Mr. Speaker, these people like to talk about the cost of living, but they are more interested in profits. So innocent am I, until a short time ago I thought when one bought cream puffs one bought puffs with cream in them. I find that is not so. I checked a number of places, and I found some were selling cream puffs and were honestly making them out of cream; others were making them out of edible oils. Where did Mr. Consumer come in? Nowhere. He paid the same price. That happened in my own town, and I was interested in what was happening here. One manufacturer here was doing that in a big way, and when this Bill was brought up he became

frightened and started to buy cream. He was buying cream at \$4.50 a gallon at the rate of 200 gallons a day. He changed to edible oils which he bought for \$2.50 a gallon, saving him \$2 a gallon, which he put into his pocket and the consumer got nothing.

Advertisements are written up like this, but one must look behind them.

Mr. Speaker, another thing I believe hon. members might consider and which was discussed in this House four years ago, and is a valid point today, is the fact that if margarine is sold as margarine with a distinct colour, the price is cheaper. That is available now to our people; they are able to buy it and buy it at a lower price. The price of butter is much higher than that of margarine, but people can still buy margarine, and if they do not want to use it on the table they would not colour it, of course. If they want to use it on the table they may colour it, but the price remains cheaper. I am quite sure, as was this House in 1949, that if colour is put into margarine and the dairy industry is destroyed, and butter put out of competition, the price of margarine will go up to the price of butter. The only difference will be that many more people will be spending their time in Florida during the winter, while the working people of this province struggle along as best

they can. That is what we will find.

The question, Mr. Speaker, is what is good for our economy, and I think it is a question of this House considering the matter on its merits and giving leadership to the people. The question is, by what method can we maintain in this province good wages, plentiful employment and a high standard of living? After having reviewed this problem for the last four years,, and indeed for five years, and having again reviewed it most painstakingly during this past month, I have certainly come to the conclusion that it is no way to maintain wages in this province, it is no way to maintain a standard of living in this province, to destroy an industry which is supporting 500,000 people, a tenth of the population of Ontario.

Our review of these considerations I can assure the hon. member for Kenora (Mr. Wren) has no relation to "political expediency," has no relationship to "political shenanigans", or anything of the sort, but is based only on reason, judgment and common sense,^{with} /which I hope Providence has endowed us all in at lease some degree. I think when hon. members look at the problem from that standpoint they will be prepared to go out and speak to the people who elected them and say: "Listen, this is bad business; let us keep these farmers who were the foundation and are the

foundation of our province today in business, and in business in a healthy, prosperous way so they can help to provide work and wages for our people."

---Mr. Speaker in the Chair.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, speaking for a few moments on Bill No. 135, I want to be quite frank in the submissions I make to the House because I believe all of us here, irrespective of Party, are desirous of giving this matter our most mature consideration. I would not for a moment like to think any of us voted on this particular question because of the locality from which we come. I think all of us are broad-minded enough to see the picture in the larger perspective and try to understand what effect this Bill would have on the economy of the province as a whole.

As the hon. Prime Minister (Mr. Frost) has said, in 1949 we introduced in this House regulations governing the sale of margarine. One of those regulations was that margarine was not to be coloured. That has remained in effect from 1949 until the present time, and now the hon. member for Kenora (Mr. Wren) is moving that Section 4 of the Act be repealed.

The sum and substance of that means that processors will be free to put colouring in

margarine.

May I say first of all, Mr. Speaker, that the hon. member for Kenora, in his motion this afternoon, is exercising what I believe we must agree is the prerogative of a private member in this Legislature or in any House of Parliamentary Assembly, the right to express his own views on public questions. The right of the hon. member to present those views in the form of a Bill to amend certain legislation often times -- the whole House will recall -- is the genesis of change and reform in our parliamentary institutions and in the legislation which emanates therefrom. Therefore, I want to dispel at once any idea that my colleague should not have introduced his Bill this afternoon.

The discussion which already has taken place on the Bill I believe is good; I think it has served a very worth-while purpose to draw to the attention of the people of this province the problems which confront the Government and the Province of Ontario in dealing with this very important matter.

The hon. member for Kenora wishes to have the colour ban removed so that margarine can be coloured in this province. I think the colour would not be green nor likely would it be blue. Most likely the colour which would be chosen would be a colour which would closely resemble the present

colour of butter. Therefore it immediately becomes a competitor of butter in the markets of the province. I do not agree with the hon. member for Kenora (Mr. Wren); I believe that since margarine has been sold in this province, since its sale has been legal in Ontario, those sales have pyramided to a very great height, and . . . I am one of those who believe that if you add colour to margarine the result will be a further stimulation of sales of margarine, and that if those sales are so stimulated, they cannot help but have a retrograde effect on the whole dairy industry of this province.

(J-1 follows)

On the other hand I cannot go as far as the hon. Prime Minister went. I doubt very much if the colouring or lack of colouring in margarine is going to be a turning point as between the prosperity and the diversity of the dairy industry, but what I want to emphasize is this: with all the factors which are working against the dairy industry today, including tariffs and everything else the hon. Prime Minister mentioned, then the colouring of margarine, if it has the effect of increasing the sales, is simply one more drop in the bucket, one more straw on the camel's back and I think we must consider this very carefully.

I do not for a moment suggest that if margarine were coloured it would not have a better appearance. Nobody can deny that or would attempt to in the House this afternoon. No one will argue it will not have a greater sales appeal and it would not be more acceptable in the marketplace when the housewife bought her week-end requirements. That is accepted by all of us. There would be an appreciable difference in the sort of margarine

we have today, and whether you coloured it the same as before so far as the housewife not buying it is concerned.

It would be more convenient not to have to mix the colouring in it. That is all accepted by those of us who are concerned with this matter, but what I want the House to recognize is a matter, so far as I see it, of much more importance than that. I think it is much more fundamental, much more basic, much more far-reaching than the appearance or the convenience of a particular product for a particular market, and those things, Mr. Speaker, are very much to the fore when we are thinking of this particular question. If we want to stimulate the sales of margarine in this Province, and I think the colouring of margarine would automatically stimulate the sales of it, then we are doing something against a very basic industry which at the time the industry cannot stand.

There cannot be much doubt that the sale of margarine would grow if it were coloured, and I agree with the hon. Prime Minister if it were coloured in this Province its sales

would increase, and as its sales increased its price would increase, until the margin between margarine and butter would be even narrower than it is today.

Moreover, Mr. Speaker, I am persuaded in this, that being as clever as we are in this day and age, if we could mix a preparation of margarine into butter we could defy all but the very best analysts to determine that it was there, and it would be sold as butter and might be half margarine. All these things would be more prominent if colour were put in margarine.

During the last year the production of butter has gone up in the Province, and it seems to me as the production of butter is going up, the revenue to the farmer generally is going down.

Even were I to agree for the moment that the colouring of margarine was a good thing, I would

still say, the timing for bringing it into effect could not be worse than it is at the present time. If we are going to have coloured margarine some time -- and I want to be

frank with the House I do not know whether this ban can stay indefinitely in respect to margarine -- but I am pleading with the House this afternoon to recognize that if we are to accept this Bill this afternoon we are bringing the colouring of margarine into effect at a time when the butter production is going down, and when the revenues of the farmers are going down, and at a time when we should do everything we can to protect the fabric of the agricultural industry.

The hon. Prime Minister struck a note a few moments ago which I would like to elaborate on for a moment or two. Supposing we coloured margarine and assuming the colour increased the sale of margarine, to whom do the profits go? They go in my judgment, to swell the coffers of great interests of this Province who up until now have amassed fortunes out of the making of margarine.

In my judgment, if we are going into the production of margarine on a large scale, then the day has come in this Province when the production of margarine for sale to our people should be taken from the great control

it is under today. If we are going to increase the sales of margarine I suggest to the Government that it is hurting the farming industry by selling margarine, and if we are going to increase the sales, let the farmers manufacture margarine and get whatever revenue there is from it, rather than increase the sales of a product that is only going to swell the already filled coffers of great institutions and great concerns in this Province.

I would like to touch upon another matter. Personally, I might be reduced to the place where I will have to buy margarine some day.

I have not tasted the stuff yet and I do not intend to as long as I can get a few coppers together to buy good old butter, because I think butter is a superior product in every way. I think further, that people generally should recognize, and I think will, if the proper advertising and proper salesmanship is used towards the selling of butter. I think they will recognize that even the disparity in price that exists is not a barrier to their using butter, because of its superior quality. I think the dairy industry -- and with this I

agree with the hon. Prime Minister -- have been somewhat lax in the period that has just passed in not advertising the great truth of the superiority of butter to all and sundry, trying to convince people that the product they had to sell was a very worth while product.

The dairy industry should if necessary improve the product they have. They should glamourize it. They should advertise it. They should put it up in such a manner that people will buy it. I think the Government should help in the advertising campaign to promote the sale of butter in this Province. There are those who say the farming industry should not ask for this protection. If there is anything that upsets my general good nature more than another, it is just that.

The hon. Prime Minister quite ably said this afternoon what to me is a great and basic truth. The farmers of Canada down through the years have, generally speaking, sold their products on the open markets of the world and bought from inside, in the closed markets behind tariff walls. I do not say that from a political standpoint, as the hon. Prime Minister

knows. That has been true irrespective of which party was in power and which party had to deal with that tariff.

It is true to a great extent that the farmer has to buy in a market which is protected and sell his products in a market in which there is little or no protection. If that is the case, and I suggest it is, the farmer is a reasonable man when he comes to this Legislature, and we ask the people of the Province of Ontario to recognize that in this imitation, unless subsidized for his rural product of butter, that he should ask for some help. He was very reasonable in his request. He could have, as the hon. Prime Minister has suggested, asked that automobiles be taken off the tariff list and sold ~~for~~.

\$500 less, ^{and} /refrigerators, etc., which are things, from which it would be just as fair for him to ask that the tariff be removed.

He does not do that because he has felt over the years that the protection afforded these industries has helped to create a market

for the Canadian farmers, who now at the time when margarine is eating into their sales

have asked the Ontario government to say that they will not allow the colouring of margarine.

I want to say quite frankly to this House that irrespective of what the other members do I shall have very little regret voting against the Bill the hon. Prime Minister has introduced.

MR. G.T. GORDON (Brantford): Mr. Speaker, in rising to say a few words following the hon. Prime Minister and the Leader of the Opposition, it is like going into the lion's den and my voice will be a voice crying in the wilderness.

I believe that when the government at Ottawa found that the ban on margarine was illegal and it was allowed to be sold, it was sold in Ontario until the Act in force in 1949 was passed.

That the sale of margarine will ruin the farmers of Ontario, is a difficult thing to believe. We do not hear that the farmers of British Columbia are ruined because they have coloured margarine.

I have had thousands of letters, from Lever Brothers as well as from housewives,

many of the signatures I recognize, and I would just like to quote from one. This lady says:

"I do not see any reason why someone else should tell me what I should or should not feed my family. When margarine first came on the market I asked our family doctor if it was as healthy for children as butter and he informed me that from a health standpoint it was as good.

We are raising four sons and with the price of food these days we simply cannot afford butter. We use five or six pounds a week."

You have to take some notice when you get letters from housewives who are really concerned with the small incomes on which they must operate. While listening to the debate I put down a few notes here.

I believe if the sale of margarine which was made lawful by the Government is to continue then the consumer should have the right, within the confines of Provincial and Federal Pure Food Acts, to have the colour on the inside instead of on the outside as at present. The continued application of Section 4 of the Act does not hurt the Dairy industry. The repeal of Section 4 will not harm the dairy industry as statistics and reports of the Ontario Department of Agriculture will indicate, why else would the same

Department encourage the development of crops which provide the basic ingredients in the manufacture of margarine? Actually the continued application of Section 4 plays one section of the Agricultural industry against the other. Labour and Women's organizations of the most responsible sort want relief for a large section of our population, which is still in low-income groups who are denied the right to purchase a completely processed product coloured to their own choice, let us reaffirm our faith in the good judgment of our home-makers, and those low-income groups which feel the need of alternative food products and remove this discriminatory legislation from our statutes.

(Take K follows)

HON. MR. DUNBAR: May I ask a question? Would it be possible for that housewife's husband to be employed by Massey-Harris, and his salary protect him, because farmers in this country have to purchase their farm equipment from Massey-Harris, and they/^{are} getting protection, therefore, is it unfair for the farmer to ask for protection?

MR. GORDON: If Massey-Harris had to depend on them, they would not be there very long, they sell on a world-wide basis, and that keeps men employed.

MR. J. P. JOHNSTON (Bruce): Mr. Speaker, I have listened to the hon. Prime Minister and to the hon., Leader of the Opposition, who is a neighbour of mine and a very fine gentleman. Of course, we do not agree on politics, but that does not make any difference. I would like to say a few words, and I will be brief. I sat here and listened to hon. members reading from sheets of paper, and when they are all through, I do not know one bit more than when / started. I am a dairy farmer and proud of it. I listened to the talk on the colouring of margarine and I derived great benefit from listening to the hon. Prime Minister. We have to sell on the open market and buy on the closed market. When we ship anything, we .

take what we get but if we want to buy something, we have to pay for it. That is the way I look at it. We only ask for one small concession. We do not want coloured margarine, and I am backed by all the dairy farmers.

MR. SALSBERG: Mr. Speaker, I rise to say a few words on this Bill and it is not necessary to take much time, because the mover of this Bill brought forth all the points which the measure required and I do not have to add any. I do want to state, as I listened to the hon. member (Mr. Wren) I realized that this was a move forward. After all, when a supporter of the Liberal group here has the courage to bring forward a Bill of this sort and fight for it -- and I agree with him that there is a time when you have to stand up and take your position on a matter of this sort. As the hon. Prime Minister has already said, when the original Bill was introduced, the former hon. member for Bellwoods (Mr. MacLeod) and I sought legislation of a similar sort and that was without a lobby. If you remember, there was no lobbying, there were no big ads in the newspapers and certainly we were not championing any big interest.

While I think that lobbying is very

legitimate and essential, I will try lobbying any time I think it is in the interest of the people, to bring information to legislation and to influence their action, I think it is perfectly legitimate. I am as aware as any hon. member here of the sources of the funds for this tremendous campaign and certainly the hon. Attorney-General (Mr. Porter) has the police behind him and he knows everything but he does not tell us. He has all the information filed and indexed. What I want to say, Mr. Speaker, is the big interests which were spoken of, who are directly behind this campaign, are not entirely free. from tactics which, for instance, the dairy monopolies would employ, but who are no more concerned with the livelihood of the farmer than this particular group. You know the great Borden Corporation controlled in the United States, is not very much concerned with what the milk producer gets on the farm. They will try to cut his prices down as low as they can. What we, as hon. members of the Legislature, ought to do, is listen to all presentations, welcome all expressions of opinion, then make up our minds. I have my mind made up as I had it in 1949, and I am in favour of the Bill, not because I am for one moment less

concerned with the welfare of the farmer than any other hon. member. In my mind, and to my satisfaction, I do not think this will endanger the farmer, because if I thought so I would not so readily support this Bill.

I ask the hon. members of this House to recall the horrible days of the depression before the War in the 1930's. In those days, there was no margarine but the dairy farmer could not dispose of the products of his farm. There was no threat of margarine, coloured or otherwise, He was a victim then of the monopolies. The worker in the city was a victim of the system which brought him to a condition where he could not buy the milk, the butter, and the eggs. There was no margarine problem in those days, and many farmers in the dairy industry should remember the depression.

The basic argument put forward by the hon. member for Kenora (Mr. Wren) is this, that either margarine is allowed to be sold or it is not, and I think it should be allowed. Once we allow the sale of the product, then there is no justification for denying the producers the right to process it and make it available in a manner which the consumer desires. Margarine is being

sold, it is being bought, and it is being bought on the farms, "in surprising quantities. I can say to the farmers that thousands of them are obviously buying margarine. I have never bought a pound of it, I do not like it, but it is being sold in every country store, The Gallup poll brought out surprising figures on that. In other words, margarine is being sold, produced and sold, legally, as the result of legislation of this House, and that being so, let us make it available in a manner which will not victimize certain sections of the people, as I think we are now doing.

I would also point this out, Mr. Speaker, that butter is also coloured. Some hon. members agree with me, and others do not, but butter is coloured in the process of production and all you have to do is to go into any store, pick up two pounds of butter and you will find one is almost white and the other is yellow. Certainly at certain times of the year, when the cattle are indoors, the dairies are colouring the butter almost universally. So they are employing an artificial colouring method. That being the case, I say it is unfair and it has elements of vindictiveness and spitefulness to continue this

present policy. It is true that there are large groups of low wage earners whose families desire margarine, not because it is preferable but because it is cheaper. We must recognize that. There are some people who tell me they prefer it, but, as a rule, it is bought because it is cheap. I do not see why the children in these workers' homes should be compelled to have a product put on the table which does not appear like the spread they are accustomed to, and, therefore, is not in their eyes, as appetizing. It is almost hypocritical for any hon. member to say that you can colour it. You cannot colour it when you are turning out a big batch. I do not think it is logical, Mr. Speaker, I do not think it is reasonable, I do not think it is fair, and I say to the hon. Prime Minister (Mr. Frost) who made a very moving speech, that he is really taxing our credulity when he mentions some of the arguments which he did. There is no catastrophe staring in the face of the dairy farmers. Dairy farmers and all farmers are faced with serious problems, and these problems are not going to be added to in the least by the colouring of margarine.

My constituency is not a rural constituency, but I would not hesitate to stand up here and vote

for farm measures. I always do, and I am as consistent a supporter of farm legislation as any hon. member of this House, and I have shown it earlier this afternoon. I suggest that this is not contrary to the interest of the dairy farmers, but will be fair and reasonable insofar as the rest of the population is concerned.

MR. S. J. HUNT (Renfrew North): Mr. Speaker, this is the first time I have risen in this House since it opened. I think I would be remiss as a dairy farmer if I did not reply to the hon. member for St. Andrew (Mr. Salsborg). As usual, Mr. Speaker, he does not know what he is talking about. Last night, I happened to be in discussion with a former hon. member of this Legislature, a very admirable lady, and she asked me if I would vote for this Bill when it came up, and I said, "No, I am a dairy farmer, and I cannot".

(TAKE L FOLLOWS)

Some years ago, Mr. Speaker, -- whether you believe it or not -- I attended Normal School in Regina, and I endeavoured to teach school for a few years, but I discovered I was making a beautiful failure of it, and I went back to the farm. You know you can always go back to the farm when you have no place else to go.

The argument I put forward last night was if you put a barrel of apples near a group of teen-age boys, and in the barrel you have green, red, and white apples, almost invariably they will reach for the red apples.. I said to this lady that as a farmer I did not object to colouring margarine. I said it could be coloured any colour desirable, but do not colour it yellow. If it is to be coloured yellow, I will vote against this Bill.

MR. THOMAS (Ontario): Mr. Speaker, I would like to take this opportunity of declaring my own opinion. Frankly, I do believe the 1.6 degree of colour could be increased. I intend to support the amendment introduced by the hon. member for Kenora. I feel quite sure it will be defeated, but I do hope it will have the effect of having the Government set up a Committee to enquire into this whole problem. It is of such

great concern to the country, particularly in the matter of conservation, that I hope the Government will do something along those lines.

I intend to vote for the amendment, Mr. Speaker, and I have no intention of accepting the challenge of the hon. member for Kenora to have a recorded vote. Ask him to leave that for the members of his own Party.

The amendment negatived.

On motions, the following Bills were read a third time:

Bill No. 13, "An Act respecting the City of Peterborough Separate School Board.

Bill No. 14, "An Act respecting The Roman Catholic Episcopal Corporation for the Diocese of Peterborough".

Bill No. 25, "An Act respecting Knox's Church, Toronto".

Bill No. 32, "An Act respecting the Town of Dundas.

Bill No. 34, "An Act respecting the City of Ottawa".

Bill No. 93, An Act to amend The Department of Education Act.

Bill No. 88, "An Act to amend The Boilers and Pressure Vessels Act, 1951".

Bill No. 106, "An Act to amend The Factory Shop and Office Building Act".

Bill No. 90, "An Act to repeal The Ski Tows Act."

Bill No. 102, "An Act to amend The Medical Act."

Bill No. 115, "An Act to amend The Succession Duty Act."

Bill No. 116, "An Act to amend The Corporations Tax Act".

Bill No. 117, "An Act to amend The Corporations and Income Taxes Suspension Act, 1952".

Bill No. 97, "An Act to amend The Public Halls Act."

Bill No. 113, "The Municipal Subsidies Adjustment Act, 1953".

MR. SPEAKER: Resolved that the Bills do now pass, and be intituled as in the motion.

SIR HENRY MILL PELLATT TRUST

Mr. Morrow (Carleton), moved second reading of Bill No. 23, "An Act to dissolve the Sir Henry Mill Pellatt Trust".

Motion agreed to; second reading of the Bill.

THE CITY OF PETERBOROUGH

Mr. W. M. Nickle (Kingston), moved second reading of Bill No. 26, "An Act respecting the City

of Peterborough".

Motion agreed to; second reading of the Bill.

THE TOWNSHIP OF NORTH YORK

Mr. L. A. Mackenzie (York North), moved second reading of Bill No. 29, "An Act respecting the Township of North York."

Motion agreed to; second reading of the Bill.

HON. MR. FROST: Mr. Speaker, I think it might be well at this moment to move the House go into the Committee of the Whole, and be so constituted at eight o'clock, to permit going on with Bill No. 80.

Mr. Speaker, I move you do now leave the Chair and the House resolve itself into the Committee of the Whole.

Motion agreed to.

House in Committee; Mr. Roberts in the Chair.

HON. MR. FROST: Mr. Chairman, before asking you to declare it six o'clock, I would like to advise the House that this evening we will go ahead with the remaining parts of Bill No. 80. I think we can complete them quite readily tonight. There is this advantage in so doing; if the

the pineal gland, and the results were compared with those obtained from the control group.

The results of the experiments are summarized in Table I, and the results of the control group are given in Table II.

It is evident from the results that the pineal glands of the animals in the experimental group were smaller than those of the control group.

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remaining Parts are completed tonight, we can put printed copies of the Bill in the hands of Councils and others who are interested, and it will give them several days to study the various Parts of the Bill which may need some amending. It seems to me by having these additional days, those who are interested can have the opportunity of making any further presentation they wish.

I think the House will be able to complete its business by a week from Thursday, and if we do not report Bill No. 80 until some day next week, perhaps on Wednesday, it will give those interested the opportunity for further consideration.

Tonight we will deal with Bill 80, the Estimates of the Department of the Attorney-General, and if time permits, will then return to items on the Order paper.

It being now six of the clock, the Committee took recess.

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Third Session
of the
Twenty-Fourth Legislature
of the
Province of Ontario

— 0 —

Toronto, Ontario, February 12, 1953, et seq.

— 0 —

Volume XXX

Wednesday, March 25, 1953.

— 0 —

EVENING SITTING

HON. (Rev.) M. C. DAVIES, - Speaker.

R. C. Sturgeon,
Official Reporter,
Parliament Buildings,
Toronto.

Wednesday, March 25, 1953,

The Committee resumed at 8.00 o'clock p.m.

METROPOLITAN AREA (BILL 80)

CLERK OF THE HOUSE: House in Committee on Bill No. 80, "An Act to provide for the Federation of the Municipalities in the Toronto Metropolitan Area for certain financial and other purposes," Part XIV.

MR. SALSBERG: Mr. Chairman, may I ask are you not calling the sections in order? Have we dealt with Part IX?

THE CHAIRMAN: Yes, it has been dealt with. We are now on Part XIV.

Sections 188 and 189 agreed to.

On subsection (1) of Section 190:

MR. STEWART: Mr. Chairman, in the absence of Mr. Cowling, I move:

"That clause (b) of subsection (1) of Section 190 be amended by adding at the end thereof the words 'including principal and interest payments in respect of debenture debt of area municipalities for the payment of which the Metropolitan Corporation is liable under this Act' so that the clause shall read as follows:

'(b) for payment of all debts of the Metropolitan Corporation, whether of principal or interest, falling due within the year, including principal and interest, payments

in respect of debenture debt of area municipalities for the payment of which the Metropolitan Corporation is liable under this Act.'"

Subsection (1) of Section 190 is the provision that requires the Metropolitan Council to make its annual levy. Under clause (b) of this subsection as it appears in the Bill the Council is to levy a sum sufficient for payment of all debts of the Metropolitan Corporation falling due within the year.

The purpose of the amendment is simply to ensure that the Council must include in its levy a sum sufficient to pay debenture payments falling due within the year in respect of debenture debt of the area municipalities that has been assumed by the Metropolitan Corporation.

Amendment agreed to.

Subsection (1) as amended agreed to.

Subsections (2) to (6) inclusive agreed to.

On subsection (7) of Section 190:

MR. STEWART: Mr. Chairman, in the absence of Mr. Cowling, I move:

"That subsection (7) of Section 190 be amended by striking out the words 'levying the rates' in the first line and inserting in lieu thereof the words 'making the levies' so that the subsection shall read as follows:

'(7) One by-law or several by-laws for making the levies may be passed as the Metropolitan Council may deem expedient.'"

The principle of Section 190 is that the Metropolitan Corporation makes levies "against the area municipalities." The expression "levying the rates" was used in subsection (7) and is inappropriate. Therefore, it is proposed that the words "levying the rates" be replaced by the words "making the levies".

Amendment agreed to.

Subsection (7) as amended agreed to.

On subsection (8) of Section 190:

MR. STEWART: Mr. Chairman, in the absence of Mr. Cowling, I move:

"That subsection (8) of Section 190 be amended by striking out the word 'rates' in the second line and inserting in lieu thereof the word 'levies' so that the subsection shall read as follows:

'(8) The clerk of the Metropolitan Corporation shall forthwith after the metropolitan levies have been apportioned certify to the clerk of each area municipality the amount which has been so directed to be levied therein for the then current year for metropolitan purposes showing separately the amounts required for public school purposes, secondary school purposes and general purposes.'"

This amendment is for the same purpose as the amendment just made to subsection (7), that

is to substitute the word "levies" for the word "rates."

Subsection (8) as amended agreed to.

Subsections (9) to (11) inclusive agreed to.

Section 191 agreed to.

Subsections (1) to (12) inclusive of Section 192 agreed to.

On subsection (1a) of Section 193:

MR. STEWART: Mr. Chairman, I move:

"That clause (a) of subsection (1) of Section 193 be amended by inserting after the word 'corporation' at the end thereof the words 'including the purposes of the Toronto Transit Commission' so that the clause shall read as follows:

'(a) the Metropolitan Corporation, including the purposes of the Toronto Transit Commission.'

Mr. Chairman, the question has been raised as to whether the authority of the Metropolitan Council to borrow money and issue debenture for the purposes of the Metropolitan Corporation includes the power to borrow and issue debentures for the purposes of the Toronto Transit Commission.

The amendment is to make it clear that the Metropolitan Council can borrow and issue debentures for the purposes of the Toronto Transit Commission.

Amendment agreed to.

Subsection (1a) as amended agreed to.

Subsections (1b) to (1d) inclusive agreed to.

On subsection (2) of Section 193:

MR. STEWART: Mr. Chairman, I move:

"That subsection (2) of Section 193 be struck out and the following substituted therefor:

'(2) All debentures issued pursuant to a by-law passed by the Metropolitan Council under the authority of this Act shall be direct, joint and several obligations of the Metropolitan Corporation and the area municipalities notwithstanding the fact that the whole or any portion of the rates imposed for the payment thereof may have been levied only against one or more of the area municipalities but nothing in this subsection shall affect the rights of the Metropolitan Corporation and of the area municipalities respectively as among themselves.'"

This subsection is the provision which gives to the holder of debentures issued by the Metropolitan Corporation his security. The subsection at present provides that the debentures shall be "a direct and general obligation of the Metropolitan Corporation and of the area municipalities".

The recommendation of the Municipal Board was that all debentures of the Metropolitan Corporation should create a joint and several

liability on the Metropolitan Corporation and the area municipalities.

A number of persons interested directly with the marketing of debentures have recommended that the joint and several liability feature recommended by the Municipal Board should be incorporated in the Bill.

The purpose of the amendment is to provide that all debentures shall be "direct, joint and several obligations of the Metropolitan Corporation and the area municipalities."

In addition the subsection is amended to protect the rights of recourse as among the Metropolitan Corporation and the area municipalities in case one should be called upon to pay the portion properly chargeable to another.

MR. SALSBERG: Mr. Chairman, this Section as amended constitute actually the essence of the whole Bill and explains the purpose of Bill 80 in that it takes care of the interests of the bondholders and assures them that bonds sold by the Metropolitan Council become the responsibility .. and the obligation of, each and every municipality. When you strip the Bill of everything else, that will remain the core of this legislation.

I want at this late hour to suggest to the

House the incorporation of at least a very small amendment which the City of Toronto asks -- I say the City of Toronto, through its elected Council -- and that is, in view of the determination of the Government to go through with the Act and with this Section particularly, as amended, on the suggestion of those who are in touch with the sale of debentures. As the hon. member for Parkdale said, the Government of Ontario underwrite the bonds issued by the Metropolitan Council; at least for a period of time.

MR. WARDROPE: For Toronto?

MR. SALSBERG: No, for the Metropolitan Council. If the Government were to do that, then it would of course ensure a bond at a lower rate of interest, and would permit the bonds to be issued by the City of Toronto proper to continue to be sold at the present lower interest rate.

I want, Mr. Chairman, to read the recommendation of Toronto City Council, which is also in the hands of the hon. Prime Minister (Mr. Frost), at this point. It says:

"Part XIV dealing with Finances should in so far as Section 193 is concerned provide that the Province of Ontario should guarantee the debentures issued by the Metropolitan Council for the next ten years."

Mr. Chairman, I want to be guided by you. If this is not a motion that calls for expenditure of money or the assumption of financial obligations by the Government, I shall move a subamendment to incorporate this request of the City of Toronto.

THE CHAIRMAN: I am afraid I shall have to rule the proposed amendment out of order.

MR. SALSBERG: On what ground, Mr. Chairman?

THE CHAIRMAN: On the ground that the effect of it would be to involve expenditure.

MR. SALSBERG: All right, Mr. Chairman.

Amendment agreed to.

Subsection (2) as amended agreed to.

On subsection (3) of Section 193:

MR. GRUMMETT: Mr. Chairman, may I have a clarification of this subsection? It reads:

"Notwithstanding any general or special Act, no area municipality shall, after the 31st day of December 1953 have power to issue debentures."

Does that mean no debentures of any kind whatsoever? If so, the argument of the hon. member for St. Andrew regarding the guaranteeing the debentures in the future did not hold water.

HON. MR. FROST: That is correct.

Subsections (3) and (4) of Section 193 agreed to.

MR. STEWART: Mr. Chairman, following subsection (4) of Section 193, I move:

"That Section 193 be amended by adding thereto the following subsection:

'(5) Debentures issued by the Metropolitan Corporation shall be deemed to be debentures of a municipal corporation for the purpose of The Trustee Act.'"

Under The Trustee Act debentures of a municipality qualify as investments in which a trustee may invest trust funds.

This amendment is to ensure that debentures of the Metropolitan Corporation will qualify as trustee investments.

That subsection, Mr. Chairman, to be known as subsection (5).

Amendment agreed to.

Subsection (5) of Section 193 agreed to.

Subsection (1) of Section 194 agreed to.

On subsection (2) of Section 194:

MR. YAREMKO: Mr. Chairman, I have an amendment to subsection (2). I move:

"That subsection (2) of Section 194 be amended by inserting after the word 'concurrence' in the seventh and eighth lines the words 'to the passing of the by-law by the Metropolitan Council' so that the subsection shall read as follows:

'(2) Where, under any general or special Act, an area municipality

cannot incur a debt or issue debentures for a particular purpose without the assent of its electors or without the concurrence of a specified number of the members of its council, the Metropolitan Council shall not pass a by-law authorizing the issue of debentures on behalf of such area municipality for such purpose unless such assent or concurrence to the passing of the by-law by the Metropolitan Council has been obtained."

Mr. Chairman, under subsection (2) as it appears in the Bill where the Metropolitan Corporation proposes to issue debentures on behalf of an area municipality for the purpose of the area municipality and the assent of the electors or the concurrence of a specified number of the members of council would be required, the Metropolitan Council is prohibited from passing the by-law for that purpose unless such assent or concurrence has been obtained.

As the subsection is worded at present it would indicate that the assent of the electors or the concurrence of the specified number of the members of council is required to the passing of a by-law by the area municipality.

The amendment is to make it clear that the assent or concurrence must be the assent or concurrence to the passing of the by-law "by the Metropolitan Council."

AA - 11

Amendment agreed to.

Subsection (2) of Section 194 agreed to.

(BB-1 follows)

Subsection 3 of Section 194, Sections 195 and 196 agreed to. Section 197, subsection 1(a) agreed to.

On subsection 1 clause (b).

MR. H. F. FISHLEIGH (Woodbine); I have three technical amendments which I think I should have been given by a lawyer.

I move that Clause (b) of subsection 1 of section 197 be struck out and the following substituted therefor:

(b) the total amount of the whole ratable property of all the area municipalities according to their last revised assessment rolls;

Under subsection 1 of section 197 the recitals that are to be contained in a money by-law of the Metropolitan Corporation are set out.

Under clause b of the subsection as it now reads the by-law must recite "the amount of the whole ratable property of the area municipalities according to their last revised assessment rolls".

A question has been raised as to whether this means that the amount of the ratable property of each municipality must be specified.

The purpose of the amendment is to indicate that the intention was that the total

amount of ratable property in all the area municipalities must be recited.

Amendment agreed to.

MR. SALSBERG: I think it would be sufficient if you told us that would be with the approval of the bonded companies. We do not need to discuss it any further.

HON. MR. DUNBAR: It simply tightens it up.

MR. SALSBERG: We are tightening it up for the bond companies.

Subsection 1, clauses(c) to (f) inclusive; subsections 2 and 3 agreed to.

On subsection 4.

MR. H. F. FISHLEIGH: I move that subsection 4 of section 197 be amended by adding at the end thereof the words "and each such area municipality shall pay to the Metropolitan Corporation such sums at the times and in the amounts specified in the by-law", so that the subsection shall read as follows:

(4) The by-law may provide for raising in each year, by special levy or levies against one or more area municipalities, the whole or specified portions of the sums of principal and interest payable under the by-law in such year and each such area municipality shall

pay to the Metropolitan Corporation such sums at the times and in the amounts specified in the by-law.

This subsection provides that special levies may be made against one or more area municipalities for the repayment of debentures issued by the Metropolitan Corporation. This provision will be used where the Corporation issues debentures solely for the purposes of one or more area municipalities and in other instances such as the case where part of a debenture issue for a school is to be borne by the entire area and part is to be borne by the municipality for which the school is built.

No provision is made in the subsection as to the method of payment in such cases.

The purpose of the amendment is to require the money by-law to specify the times and amounts of the payments by the area municipality on behalf of which the debentures are to be issued.

Amendment agreed to.

Subsections 5 to 15 inclusive, subsection 16(a) agreed to.

On subsection 16 clause (b).

MR. H. F. FISHLEIGH: I move that clause (b) of section 197, subsection 16 be amended:

That clause (b) of subsection 16 of section 107 be amended by striking out the words "amount thereof" in the fifth line and inserting in lieu thereof the words "principal thereof, the interest to the date set for redemption, and any premium payable on redemption," so that the clause shall read as follows:

"(b) The principal of every debenture that is so redeemable shall become due and payable on the date set for the redemption thereof, and from and after such date interest shall cease to accrue thereon where provision is duly made for the payment of the principal thereof, the interest to the date set for redemption, and any premium payable on redemption."

Subsection 16 of section 107 sets out the provisions that are applicable when debentures are redeemable.

Clause (b) of the subsection provides that interest ceases to accrue on the redemption date where provision is duly made for the payment "of the amount thereof". It has been pointed out that the words "amount thereof" are capable of more than one interpretation and the clause is therefore amended so that interest will cease to accrue on the redemption date where provision is made for payment of the

principal, the interest, and any premium payable on redemption.

Amendment agreed to.

Subsection 16, clause (c) agreed to.

On clause (d).

MR. HOLLIS E. BECKETT (York East): I move that clause (d) of subsection 16 of section 197 be struck out and the following substituted therefor.

"(d) At least thirty days prior to the date set for such redemption, notice of intention so to redeem shall be published in The Ontario Gazette and in a daily newspaper of general circulation in the City of Toronto and in such other manner as the by-law may provide."

Under clause (d) of subsection 16 where debentures are redeemable notice of intention to redeem must be published in the Ontario Gazette and in such other manner as "subject to the approval of the Municipal Board" the by-law provides.

When the Corporation proposes to issue debentures it will be required in the same manner as by other municipalities to apply to the Municipal Board for the authority to undertake the work.

In this authority the Municipal Board normally provides that the municipality may issue debentures and there is no need for the municipality to come back to the Municipal Board unless it wishes to have the Municipal Board validate the debentures.

Under this clause it would therefore be necessary to go to the Municipal Board for approval only as to the publication of the notice of redemption.

This is considered an undue hardship and it is therefore provided in the amendment that the notice to redeem shall be published in The Ontario Gazette, in a daily newspaper of general circulation in Toronto, and in such other manner as the by-law may provide.

Amendment agreed to.

Clauses (e) and (f) agreed to.

On Section 197, subsection 17.

MR. HOLLIS E. BECKETT: I move that subsection 17 of section 197 be struck out and the following substituted therefor:

"The by-law may provide that the debentures to be issued thereunder shall be expressed and be payable.

(a) in lawful money of Canada
and payable in Canada; or

(b) in lawful money of the United
States of America and payable in the
United States of America; or

(c) in lawful money of Great
Britain and payable in Great Britain."

The purpose is that these bonds will be
payable in the country in which they are issued,
Mr. Chairman.

MR. SALSBERG: I dislike embarrassing
the hon. member who moved the amendment. I
know he is playing his part on a team but I
would like to know what caused him to move this
amendment on currencies. As they are amend-
ments which deal with highly specialized finan-
cial matters, I question whether many members
are very well acquainted with them. Where do
they come from? There are so many amendments
dealing with debentures that we could write a
new Bill.

It seems to me that this section has
been gone over with a fine-tooth comb on Bay
Street and they have written out the amendment .

HON. MR. FROST: The hon. member completely
underestimates the abilities and the work of
the Toronto members, who have been working on

this Bill starting at nine o'clock in the morning every day of the week.

MR. SALSBERG: On debentures?

HON. MR. FROST: Yes, on this Bill.

There is not a word or a phrase of this Bill which the Toronto members have not discussed in their meetings. As a matter of fact, regarding these matters we are discussing; what is so unusual about them?

These amendments being moved here are not highly specialized. We have discussed these matters in this House scores of times. Here is a great municipality, a municipality that is going to be the strongest municipality financially in Canada. I do not think there is any municipality in Canada which will have the financial standing and rating of this municipality.

If, in order to obtain money and obtain it cheaply for the benefit of the people of this community, it is desirable to go to New York or the United Kingdom or any place else, why should not they do it? Why should we tie them up? That is the common-sense consideration which these hon. members have given and to

my mind the ability and knowledge of the Toronto and York members is simply astounding in this matter.

You are considering . . . a Bill which has been placed before this Assembly. You are witnessing men of tremendous ability and experience going back for years, actually piloting this Bill through the House ; and explaining every detail, not from the standpoint of just merely moving amendments, but going into the background of the things and telling us where they come from and the purpose of them.

The hon. member who criticizes and casts little slurs and barbs could be a useful member if he would. The trouble with him is he : never wants to co-operate. He is always looking up something at which to throw some slur. . . .

The hon. member does not care about the credit of his community. Why would he? That is his method. After all he has many great abilities himself and nobody appreciates those abilities more than I do or more than the hon. members in this House do, and I think we would all appreciate it. if he would only see the

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light and would devote his abilities to things
, are worth while and constructive rather
than destructive 't would be much better.

(Take CC follows)

I often wonder why the hon. member for St. Andrew (Mr. Salsberg) wants to devote himself to the Government to which he does.

I think he has much more ability than that, and . . . there would be plenty of opportunity for him within the bounds of one of the parties of this House, any of the three other parties of this House, and I would think he would see his talents and abilities which he is using for destructive purposes might be used for constructive purposes in this good community, in this good country. I say that to him so he can think it over between now and tomorrow.

MR. SALSBERG: Mr. Chairman, I suppose I should say that I appreciate the compliments, but that is all. The more I sit here and the more I watch certain methods and techniques the more I am convinced of the necessity of having more like myself here, and in every other legislative body to keep them on their toes, their ears to the ground, and so on. Let no individual member of the Toronto group, outside of myself, participating in the moving of amendments, take any offence as individuals, but I am of the opinion, and I think it is my right to express it, that the way the amendments are

brought in, and especially the number of amendments brought in on finance and debentures, give me a feeling -- and I think it is a well-founded feeling -- that these amendments have been gone over, or, rather, this Section has been gone over by the people who are most immediately interested in protecting the bondholders and the banks. Many of the amendments may have stemmed from those sources, even though they may be presented by hon. members of the House, and even though they may understand what they are presenting. I regret this very, very much.

HON. MR. FROST: I might say to the hon. member that he is, as usual, completely wrong. He suffers from a suspicious mind which has brought him to the state where his fears are an obsession with him. Let us look at the bondholders; what in the world is wrong with this Legislature moving to protect the securities that will be sold by this Council? As a matter of fact, upon that depends credit. How would you sell them if you did not? I can explain what was done. Every conceivable suggestion that was made by anybody, in any newspaper editorial or/any municipal council or any person who is interested in this matter, has been briefed and every one of the hon. members ^{by} gone over those to

see what merit there is in them.

I have been looking now for two weeks for an amendment from the hon. member for St. Andrew which could be accepted, but up to this date there has not been one presented that has any merit in it. If he could present an amendment which has merit in it, I can assure you it would be accepted. But there has not been one to date. That is why I say to him he is not constructive, but destructive.

MR. SALSBERG: I have presented a number of amendments and made a number of suggestions, which, of course, would have protected the credit of the City of Toronto and the adjoining municipalities, and relieved the homeowners of the burden which is now being placed upon them.

HON. MR. FROST: For instance, yesterday the hon. member wanted to take the Gray Coach Lines from the Toronto Transportation Commission, which would immediately raise the fares for all streetcar riders in this city.

MR. SALSBERG: Mr. Chairman, if any hon. member of the Opposition had risen in this House in 1933 and said the bankers were dictating the policies of the Government of that day, and threatened to withhold credit from the

Province unless they obeyed their orders, that hon. member would have been told he was crazy. I think we owe a great deal to the hon. member for Brant (Mr. Nixon) who, in his contribution to the Budget Debate here a few nights ago, recalled an incident which should not be forgotten, when he presented the documents and letters which passed between the then Premier of the Province, Mr. Henry, and the bankers, in which he pleaded with them for a loan and which they advised him they would give only on condition that he discontinued certain policies, which the Government of that time continued, such as farm loans, and the banks cut credit off.

HON. MR. FROST: I would like to keep the record straight and say that this Government is not dominated by any big interests. The fact of the matter is, we do not mind giving them a "swat", as we did this afternoon when we "swatted" these edible oil people. Who stood for them? The hon. member for St. Andrew (Mr. Salsberg).

MR. NIXON: Mr. Chairman, if we might get back to the amendment before this House, it does seem to me there is nothing new in the amendment as put forward by the hon. member for East York (Mr. Beckett) and the original draft

other people could witness their service whenever
they took up their muskets to defend their country and
their God, and that they had no right to demand a
recognition of the right (Article 1, § 1) to do so and
that it would not be wise to make themselves or
any of their men available to the rebels and to subject
one of their own citizens to such a life of suffering
as I have just described. I am anxious that the
colonialists and their agents will understand the
position of the right people and you therefore will
not let me be disturbed in my efforts to dissuade
the colonials from making themselves available
to the rebels and I hope you will do so.

Enclosed is a note from our naval officer and
you will see how reasonable and logical it is for us
to stand by our men. You will be pleased to see
what a fine attitude our naval officer has taken
towards the colonials. I hope you will forward
this note to the naval officer in Boston and
encourage him to stand by his men. I hope you
will do the same for the naval officer in New York
and the naval officer in Philadelphia. I hope you
will do the same for the naval officer in New
Orleans and the naval officer in Mobile. I hope

of subsection (17). As a matter of fact, the City of Toronto has always had the right to issue debentures payable in New York, and certainly the Province of Ontario has always followed that custom.

HON. MR. DUNBAR: I would like to ask the hon. member for St. Andrew why earlier in the evening he endeavoured to move an amendment saying this Government would guarantee debentures of this new organization, the Metropolitan Area? Is that not a step to protect the bondholders of this Province? You ask that this Government guarantee them, and now you are opposed, which is the most inconsistent stand I have ever heard of.

MR. SALSBERG: If the hon. Minister of Municipal Affairs (Mr. Dunbar) wants to say that, he may. When I transmitted to this House the request of the City Council of the City of Toronto he knows as well as I that was for the purpose of guaranteeing cheaper money for the municipalities. They will need about \$100 million in a very short period, and the guaranteeing of the bonds by this Government would enable them to get that money at the lowest possible rate, and, therefore, keep taxes down.

MR. GRUMMETT: Mr. Chairman, I am not sure I understood the hon. member for Brant when he said there was very little difference in the Section which has been deleted and the new Section substituted. I think there is a considerable difference. In the Section which was removed the debentures were payable in the United States or Great Britain, but they were payable in Canadian funds. However, under the amendment you will find in subsection (17c) they are payable in the funds of Great Britain; that means they are payable in pounds sterling, and in the United States in American dollars. There is a very great difference in the two sections. I think this is the first time I have seen this provision put in a Bill.

HON. MR. FROST: That is all in subsection (17). It provides that the debentures of the Metropolitan Corporation may be expressed in Canadian, United States or Sterling funds, and may be payable in Canadian, United States or Great Britain. The purpose of the amendment is to make it clear that the debentures cannot be expressed in the money of one country and payable in another country.

MR. GRUMMETT: Why not have them expressed

in the currency of Canada and payable in Canadian funds?

HON.MR. FROST: That is quite impossible; you do not do that here. If we borrow in the United States, as we sometimes do, we get the advantage of low exchange rates in the States, and sometimes we suffer disadvantage and sometimes we get the advantage both ways. As a matter of fact, it is not possible to borrow in the United States or any other country of which I know, and have it repayable in Canadian funds. That is a widely used financial practice, and sometimes it works very much to our advantage.

Not so long ago we were paying with our depreciated funds bonds payable in New York, and we were budgeting for as high as \$2 million to make up the difference. That happened for years. At the present time we are, of course, repaying our American obligations with Canadian money expressed in American currency, and we are making money on it. On the other hand, it works the other way, too; when we borrow \$50 million in New York, we suffer the loss of exchange. That happens in all these transactions.

MR. NIXON: But, as a matter of fact, the

City of Toronto for years has been issuing debentures payable in New York, so that is nothing new.

MR. WEAVER: Mr. Chairman, the City of Toronto has been borrowing in New York, in London and in Toronto on what is known as three-way pays. That is, on bonds which are payable either in New York currency or in pounds sterling or in Canadian dollars, at the option of the holder. The City of Toronto recently got into a great deal of trouble with one of those three-way pays, because the holder of those bonds which were issued in the year 1912 was taking payment in sterling, when sterling was at \$7, but as soon as sterling dropped the holder then had the option under the bond to take payment in New York currency, when New York currency was at a premium of 20 per cent over Canadian currency. Then, when it went back to par, he elected to take it in Canadian currency.

This amendment, Mr. Chairman, provides that these three-way pays are "out". They operated in favour of the holder of the bond and against the issuer of the bond every time. This makes it perfectly clear that the Metropolitan Council may borrow either in New York

currency, or borrow in Great Britain and pay in sterling only, or on the Canadian market and pay in Canadian dollars only, but it does not get stuck with a three-way pay.

HON. MR. DUNBAR: The hon. member for Cochrane South (Mr. Grummett) will recall the City of Toronto in a Private Bills Committee endeavoured to put a Bill through permitting them to pay in American funds a debenture which was issued and supposed to be payable in sterling. They had only a letter of the Mayor at that time. That is the transaction referred to, and that was turned down by the Private Bills Committee.

Subsection (17) agreed to.

Subsection (18) agreed to.

Sections 198 and 199 agreed to.

On Section 200:

MR. BEECH: Mr. Chairman, I would like to move an amendment by adding thereto the following subsection:

"(2) When the Metropolitan Corporation, by or under the authority of this Act, pays to an area municipality any amount of principal and interest becoming due upon any outstanding debentures issued by the area municipality, neither the council of the area municipality nor any officer thereof shall apply any of the money so paid for any purpose other than the payment

of the amounts of principal and interest so becoming due."

Mr. Chairman, various bodies have made representations that, when the Metropolitan Corporation pays to an area municipality the amounts falling due on debenture debt which is assumed by the Metropolitan Corporation, the area municipality should be required to earmark these moneys for the purposes for which they were paid.

The effect of this amendment is to provide that the council of the area municipality and its officers shall not apply any of such payments to any purpose other than the payment of the debenture indebtedness.

(D-1 follows)

Amendment agreed to.

Section 201 agreed to.

Section 202, subsections 1 and 2 agreed to.

On subsection 3.

MR. BEECH: Mr. Chairman, I move that

"Subsection 3 of section 202 be amended by striking out the word "under" where it occurs in the second and third lines respectively and inserting in lieu thereof in each case the words "for the purposes of", so that the subsection shall read as follows:

(3) It shall not be obligatory to register a by-law for the issue of debentures passed for the purposes of The Municipal Drainage Act or for the purposes of The Local Improvement Act."

Subsection 3 provides that it is not obligatory to register a by-law for the issue of debentures passed "under 2 The Municipal Drainage Act or The Local Improvement Act.

In fact, the debentures of the Metropolitan Corporation are not issued under The Municipal Drainage Act or The Local Improvement Act. Rather they are issued under this Act for the purposes of The Municipal Drainage Act or The Local Improvement Act.

The amendment is to overcome this technical difficulty.

MR. SALSBERG: May I ask a question, Mr. Chairman? Is this a departure from the procedure now followed by Toronto or the other municipalities?

MR. BEECH: It is a matter of the technical explanation in the wording. Instead of using the word "under", the words "for the purposes of" are substituted.

Amendment agreed to.

Subsections 4 to 9 inclusive agreed to.

Section 203, subsection 1 agreee to.

On subsection 2.

MR. W. H. COLLINGS (Beaches): Mr. Chairman, in the absence of Mr. Kerr, I move:

"Subsection 2 of section 203 be amended by inserting after the word "written" in the third line the word "printed", so that the subsection shall read as follows:

(2) A debenture may have attached to it interest coupons which shall be signed by the treasurer and his signature to them may be written, printed, stamped, lithographed or engraved."

MR. SALSBERG: That amendment goes in the name of the hon. member for Dovercourt (Mr. Kerr)?

MR. COLLINGS: Yes, that is correct.

Amendment agreed to.

On subsection 3.

MR. COLLINGS: Mr. Chairman, in the absence of Mr. Kerr, I move:

"Subsection 3 of section 203 be amended by inserting after the word 'written' in the third line the word 'printed' and by inserting after the word 'be' in the sixth line the word 'printed', so that the subsection shall read as follows:

"(3) The signature of the chairman of the Metropolitan Council to all debentures or other like instruments issued by the Metropolitan Corporation may be written, printed, stamped, lithographed or engraved and if such debentures or other like instruments are countersigned in writing by the deputy treasurer, the signature of the treasurer thereon may be printed, stamped, lithographed or engraved."

Amendment agreed to.

Subsections 3 to 5 inclusive agreed to.

Sections 204 to 213 agreed to.

HON. MR. FROST: for the benefit of the hon. member for St. Andrew, may I point out in this subsection there are also a number of amendments which relate largely to employees. The hon. member will see that where he thinks the hon. members have been paying attention only to the security provisions, shortly he will find the hon. members have spent more time trying to protect the employees, and seeing their

superannuation and things of that nature were taken care of. I will ask the hon. member to note that.

MR. SALSBERG: I will, I assure you, Mr. Prime Minister.

THE CHAIRMAN: Part XV, on Section 211.

MR. W. J. STEWART (Parkdale): Mr. Chairman, I have some very brief amendments to move, but I would like to say a word in defence of my position in introducing them.

At the beginning, I would like to congratulate the hon. Prime Minister ~~as~~ Like, etc., you, Mr. Chairman, I have been at every meeting of the Committee at nine o'clock in the morning. At the first meeting we were handed Bill No. 80, with no strings attached, except the provision that we should avail ourselves of the privilege of conferring with the officials, and we had a great array of trained minds. They were there to answer any inquiry we made of them.

May I say, Mr. Chairman, that ever amendment I have heard moved here, and those I will move myself, express the opinions of the Toronto and York hon. members, and they were typed at our suggestion for our convenience, and no one

has tried to take credit for any one of these amendments. They are the joint opinion of the Toronto and York hon. members, at which they arrived after free and full discussion of the matters involved.

I say without any fear of contradiction that never was any amendment handed to me pre-arranged by the Government, for our consumption. We experienced no curtailment, either by the hon. Prime Minister or any hon. Minister at all. We had an absolutely free hand. If I am not correct in stating that, I stand to be corrected by any hon. member who attended the meeting.

Mr. Chairman, I would like to move:

"Section 214 be amended by adding thereto the following subsections:

(3) The Metropolitan Corporation and each local board thereof shall be deemed to be a municipality for the purpose of section 78 of The Labour Relations Act."

In regard to subsection 3; section 78 of the Labour Relations Act authorizes any municipality of the Province to declare that the Labour Relations Act shall not apply in its relations with its employees. The purpose of the amendment is to place the Metropolitan Corporation in the same position in this respect

as all other municipalities in the Province.

With your permission, Mr. Chairman, I will read subsection 4:

"Within each area municipality, the members of the police force of such area municipality shall be charged with the same duties with respect to by-laws of the Metropolitan Corporation as with respect to by-laws of the area municipality."

In regard to subsection 4:

In the Police Act the members of the Police Force of every municipality must enforce the by-laws of the municipality. The effect of the amendment is to impose upon such local police forces a similar duty with respect to Metropolitan by-laws.

Subsection 5 reads:

"Nothing in this Act alters or affects the powers of the Toronto Harbour Commissioners."

As the powers of the Toronto Harbour Commissioners are contained in Dominion Legislation, the amendment provides that this Act does not alter nor affect their powers.

Amendment agreed to.

Sections 215 to 220 inclusive agreed to.

On Section 221.

On Section 221:

MR. A. A. MACKENZIE (York North): Mr. Chairman, I wish to move an amendment to Section 221.

I move that:

"Section 221 be amended by adding thereto the following as subsection 2:

"(2) In addition to its powers under subsection 1, the Municipal Board shall have power to direct the Metropolitan Corporation to pay to the Corporation of the County of York, in a lump sum or in its discretion over a period of years from the 1st day of January, 1954, on a progressively reduced basis, such amount as it deems just and equitable to relieve the County from any undue burden caused by the separation from the County of the municipalities mentioned in section 136."

There has been considerable concern in the northern part of the county which is to be separated as to their ability to maintain the present suburban system in the high standard it is now.

With your permission, Mr. Chairman, I will read the explanatory note of the amendment:

There is no question in my mind that unless provision for adequate adjustments were made in the Bill, the Bill would have a very detrimental and adverse effect on the County of York.

I think all the hon. members will understand just

what effect it would have on their municipality or county if they were to lose 90 per cent of their assessment; or in other words, 90 per cent of their ability to collect revenue.

The County of York was built up from the growth and prosperity of the whole County and now the remaining portion of the County, after the Metropolitan Corporation is set up, will, with only 10 per cent of the taxable wealth, be required to carry on services which were built up with a much greater assessment per capita,

It is impossible at this time to determine just what effect this separation of twelve municipalities from the County is going to have on the County.

The Ontario Municipal Board, in its recommendations of January 20th, pointed out the adverse effect their recommendations would have on the County of York and intimated it might be necessary to make an adjustment of some kind.

Under section 96 of this Bill it is provided that all roads presently forming part of the county road system that will remain in the County of York will become suburban roads, which means that the Metropolitan Corporation

will contribute equally with the County towards the expenditures on these roads. This is one form of adjustment that has been made in the Bill.

In addition , in section 221, the Municipal Board is given exactly the same powers to adjust all assets and liabilities as among the County, the Metropolitan Corporation and the remaining municipalities, as it is given under section 20 of The Municipal Act where the Board orders an annexation or an amalgamation.

However, it is considered that even with these adjustments, separation of the twelve municipalities from the County may inflict a disproportionate burden of expenditures on the County which might have serious financial effects.

The amendment that I have now moved makes it clear that the Board is to be given wide powers to relieve the remaining County of any excessive burden resulting from the loss of such a large proportion of its assessment while maintaining a municipal system that was built on and in part for the use of the municipalities now taken out of the County and placed in the Metropolitan Area.

Amendment agreed to.

(Take EE follows)

Sections 222 to 224 inclusive agreed to.

On Subsection 1 of Section 225:

MR. H. E. BECKETT (York East): Mr. Chairman, I move:

"That the Bill be amended by renumbering section 225 to 227 inclusive as sections 226 to 228 and by adding thereto, the following section:

- 225-(1) Notwithstanding anything in The Power Commission Act or in The Public Utilities Act or in any other special or general Act the whole of the Township of Scarborough, the whole of the Township of North York and the whole of the Township of Etobicoke shall each be deemed to be an area established under subsection 1 of section 66 of The Power Commission Act, and The Public Utilities Commission of the Township of Scarborough, The Hydro-Electric Commission of the Township of North York and The Hydro-Electric Commission of the Township of Etobicoke shall each be deemed to have been established for the whole of the said respective areas and the members duly elected.
- (2) If any of the said corporations desire to enter into a contract with The Hydro-Electric Power Commission of Ontario, for the supply of electrical power or energy for the use of the municipality and inhabitants thereof the assent of the municipal electors shall not be necessary.

(3) Subject to this section and where not inconsistent therewith, Part II of The Power Commission Act shall be deemed to apply to each of the said commissions and areas."

I might explain, Mr. Chairman, the townships of Scarborough, North York and Etobicoke are the three large municipalities which are coming into this Metropolitan Area, and large parts of those three townships are divided for power purposes, one part being known as the votive area and the northern parts to go into the rural Hydro. The purpose of the amendment is to extend the votive areas to each municipality so there will be the same rates for the entire municipality.

Furthermore, under the Power Commission Act, where they are not in a votive area, it is to be consistent for street lighting. As hon. members may have noticed in travelling through these new municipalities, they are developing at a great rate. They cannot put up street lights unless they pass a debenture by-law by petition. Under this amendment where they will all come within a votive area, it will simplify the system and will be of great benefit to these municipalities.

Amendment agreed to.

Section 225 and 226 as re-numbered agreed to.

On subsection 1 of Section 227 as re-numbered:

MR. H. E. BECKETT (York East); Mr. Chairman, I move:

"That:

Subsection 1 of Section 227 as re-numbered be amended by striking out the word and figures "and 221" in the first line, and inserting in lieu thereof, the word and figures "221 and 225", so that the subsection shall read as follows:

'(1) This Part except section 217, 221 and 225, comes into force on the day receives Royal Assent.'

Subsection 2 of the Section be amended by striking out the word and figures "and 221" in the first line, and inserting in lieu thereof, the word and figures "221 and 225", so that the subsection shall read as follows:

'(2) Sections 217, 221 and 225, come into force on the 1st day of January, 1954.'"

This amendment, Mr. Chairman, is complementary to that which I just read on Section 225. The purpose is to provide that the Section comes into force on the 1st day of January, 1954.

Amendment agreed to.

Sections 227 and 228 as re-numbered, agreed to.

MR. A. H. COWLING (High Park): Mr. Chairman, would it be all right to revert to a previous Section? I would like to go back to Part 1, page 2. I move:

"That,

Subsection 2 of Section 4 be amended by striking out all the words before the word 'determined' in the fifth line, and inserting in lieu thereof, the words 'by resolution of the Council of the City of Toronto passed before the organization meeting of the Metropolitan Council' so that the subsection shall read as follows:

'If after any election by reason of acclamation or an equality of votes, it cannot be determined which member or members of the Board of Control is or are entitled to be a member or members of the Metropolitan Council, the matter shall be determined by resolution of the Council of the City of Toronto passed before the organization meeting of the Metropolitan Council.'"

Mr. Chairman, at present, subsection 2 of Section 4 provides where by reason of acclamation or an equality of votes, it cannot be determined which member or members of the Toronto Board of Control is or are entitled to sit on the Metropolitan Council, the matter shall be determined by lot cast by the Mayor of Toronto at the organization meeting of the Metropolitan Council. The effect

is to provide that the question as to which member or members shall sit on the Metropolitan Council shall be determined by resolution of the said Council passed before the organization meeting of the Metropolitan Council.

Mr. Chairman, and gentlemen, this is rather a contentious point because in our Toronto City Council, the senior man has always been recognized as the man with the longest continuous service on Council. As a matter of fact, I rather favoured that idea myself. In other words, if one man has been on the Council for three or four years and a new man was elected in a Ward or elected to Board of Control, and had more votes, he still would not be considered the senior member. However, after due consideration, it was felt in order to be fair to everybody, in a case of an acclamation to have the choice made by the Council on the ground they are in a better position to decide who their representative should be, than possibly we should.

Mr. Chairman, I have another amendment with respect to the Aldermen, which reads pretty much the same. I move:

"That,

Subsection 3 of Section 4 be amended by striking out all the words after the

'determined' in the fourth line, and inserting in lieu thereof, the words 'by resolution of the Council of the City of Toronto passed before the organization meeting of the Metropolitan Council' so that the subsection shall read as follows:

'If after any election by reason of acclamation or an equality of votes, it cannot be determined which alderman in any Ward of the city of Toronto is entitled to be a member of the Metropolitan Council, the matter shall be determined by resolution of the Council of the City of Toronto passed before the organization meeting of the Metropolitan Council'".

It is very much the same amendment, Mr. Chairman, and of course we all remember the organization meeting of the local Councils in the Area took place before the Metropolitan Council meets, so they will have their men appointed.

MR. J. B. SALSBERG: One question, Mr. Chairman, in order to make the situation clear. The basis of representation remains as outlined in subsection 1 of Section 4?

MR. COWLING: That is right.

MR. SALSBERG: And the amendments apply only in case of either a tie vote or an acclamation?

MR. COWLING: That is right.

Amendments agreed to.

Subsection 2 and 3 of Section 4 as amended, agreed to.

MR.FARQUHAR OLIVER (Leader of the Opposition):

Mr. Chairman, why does not the hon. Minister (Mr. Dunbar) move an amendment to his own Bill?

MR. H. C. NIXON (Brant): Mr. Chairman, I thought I had seen everything in this House, but this is really something new, for a Government Bill with the hon. Minister's (Mr. Dunbar) name on the back of it, to be amended so many times.

HON. MR. FROST: Actually, it has my name on the back of it. This is something the hon. member (Mr. Nixon) has never seen before, and I am very proud of it. This demonstrates, sir, how private members form part of the Government. In everything we do, that is the case.

MR. NIXON: May we consider this as a precedent now in the treatment of other Government Bills?

HON. MR. FROST: Yes, sir. That is right.

MR. E. L. WEAVER (St. David): Mr. Chairman, reverting to Section 22, I have two amendments in the form of subsections to this Section. As they are complementary to one another, I would ask your leave to read both of them at once.

I move:

"That

Section 22 of the Bill is amended by

adding thereto the following subsections:

- (3) Where the Metropolitan Corporation employs a person theretofore employed by an area municipality or a local board thereof, the employee shall be deemed to remain an employee of the area municipality or local board for the purposes of any pension plan of such area municipality or local board, and shall continue to be entitled to all rights and benefits thereunder as if he had remained as an employee of the area municipality or local board, until the Metropolitan Corporation has provided a pension plan for its employees and such employee has elected, in writing, to participate therein.
- (4) Until such election the Metropolitan Corporation shall deduct by instalments from the remuneration of the employee the amount which such employee is required to pay in accordance with the provisions of the plan of the area municipality or local board and the Metropolitan Corporation shall pay to the area municipality or local board in instalments,
 - (a) the amounts so deducted;
 - (b) the future service contributions payable under the plan by the area municipality or local board."

An explanation of that, Mr. Chairman, I would say under subsection 2 of this Section, the Metropolitan Corporation is required to establish a pension plan for its employees. It may be some time before the Corporation is in a position to

establish its plan, and in addition, some pension plans of some of the Area municipalities do not permit the transfer of credits built up by their employees when an employee leaves the employment of the Area municipality. This amendment will ensure that any employee of an Area municipality or a local board who transfers his employment to the Metropolitan Corporation, will lose in no way any of his rights in the pension plan of the Area municipality or local board.

The effect of the amendment is where an employee of an Area municipality or a local board becomes employed by the Metropolitan Corporation, he shall remain as a participant in the pension plan of the Area municipality or local board until the Metropolitan Corporation has established a pension plan, and the employee has elected to leave the pension plan of the Area municipality and participate in the plan of the Metropolitan Corporation.

This matter will be entirely at the discretion of the employee, as to whether he remains with the local plan or joins the Metropolitan.

Until he does decide to join the Metropolitan plan, the Metropolitan Corporation will deduct his contributions from his salary and

will also pay the municipal share for future service that would otherwise be payable by the Area municipality or local board.

(TAKE FF FOLLOWS)

MR. GEORGE C. WARDROPE (Port Arthur):

Mr. Chairman, when the debate gets down to Provincial affairs again, outside the City of Toronto, will you please see that I am called back?

MR. WILLIAM H. COLLINGS (Beaches): I am sure I will have the support of the hon. member for St. Andrew (Mr. Salsberg) on this amendment. You will realize that the Committee, after receiving the brief of the Municipal Employees Association has certainly given consideration to their brief.

I move that Section 22 of the Bill be amended by adding thereto the following sick leave credits, section 5:

"(5) Where the Metropolitan Corporation employs a person theretofore employed by an area municipality or a local board thereof, the employee shall be deemed to remain an employee of the area municipality or local board for the purposes of any sick leave credit plan of the area municipality or local board until the Metropolitan Corporation has established a sick leave credit plan for its employees, whereupon the Metropolitan Corporation shall place to the credit of the employee the sick leave credits standing to his credit in the plan of the area municipality or local board."

That simply means the purpose of this amendment is to protect the sick leave credit

established by employees of area municipalities or local boards who transfer to the employment of the Metropolitan Corporation. Under subsection 2 of this section the Metropolitan Corporation is required to establish a sick-leave credit plan before the first day of January, 1954.

In the meantime when an employee of an area municipality or a local board becomes employed by the Metropolitan Corporation, he is deemed to remain an employee of the area municipality or local board for the purpose of sick leave credit plan until the Metropolitan Corporation shall establish its own sick leave credit plan, at which time the Metropolitan Corporation will be required by the amendment to place to the credit of the employee all the credits that he had accumulated under the local plan.

Amendment agreed to.

MR. ARTHUR G. FROST (Bracondale): I have a little amendment here with reference to holidays which I think is very important and very essential. I think the hon. member for St. Andrew (Mr. Salsberg) will not complain about this.

I move Section 22 of the Bill be amended by adding thereto the following subsection 6:

"(6) Where the Metropolitan Corporation employs a person theretofore employed by an area municipality or a local board thereof, the Metropolitan Corporation shall, during the first year of his employment by the Metropolitan Corporation, provide for such employee holidays with pay equivalent to those to which he would have been entitled if he had remained in the employment of the area municipality or local board."

Mr. Chairman, this amendment ensures that where an employee of an area municipality or local board becomes employed by the Metropolitan Corporation he shall not lose any holidays to which he is entitled.

The amendment applies to the first year of his employment and thereafter he will have holidays in accordance with the policy of the Metropolitan Corporation.

HON. MR. DUNBAR: Will any person now say this government is not a friend of the working man?

MR. SALSBERG: I am very happy the hon. member thought of that.

Amendment agreed to.

MR. WILLIAM G. BEECH (York South): I have an amendment to Section 22, but before

I go on with this I should like to correct an impression that might be created by the hon. member for St. Andrew, that the City of is Toronto being asked to take in a lot of poor cousins For the sake of the record and for the information of the hon. members of this House, I would like to give the percentage of debt of equalized assessment. For the City of Toronto it is 7.42. For the Township of York it is 7.51. For the Village of Forest Hill it is 5.28.

I am sure the hon. members will agree the City of Toronto is getting an asset rather than a liability. The debt per capita for the City of Toronto is \$156.00 and the Debt per capita for the Township of York is \$106.00.

MR. SALSBURG: I am very grateful to the hon. member (Mr. Beech) for the information, but I would like to make an appointment to meet him a year from now, after we have begun spending money for the schools in the township.

MR. BEECH: I move section 22 of the Bill be amended by adding thereto the following as subsection 7:

"The Metropolitan Council shall offer to employ every person who, on the 1st day of April, 1953,

"(a) is employed as an assessment commissioner or assessor, or is otherwise employed in the assessment department of an area municipality; or

(b) is employed in any undertaking of an area municipality or local board which is assumed by the Metropolitan Corporation under the Act."

MR. Chairman, when the hon. Prime Minister was introducing this Bill and when speaking to different parts of the Bill he stated it was the hope and expectation that the Metropolitan Council would take over the staff from the area municipalities of the Assessment Department and of any works or undertakings assumed by the Metropolitan Council.

The hon. Prime Minister has also stated he considers there will be no further employees required from the area municipalities and the area corporation as a result of this Bill.

Further, in order to ease the minds of the employees of the area municipalities in the Assessment Department, waterworks and sewage disposal plants, and the works department of the various municipalities, this amendment provides that the Metropolitan Council must offer employment to all persons employed by

the area municipalities and local boards in carrying out the functions assumed by the Metropolitan Council.

The Metropolitan Corporation will become incorporated on April 15 next and will undoubtedly require a few employees during the balance of this year, and thereafter it must have this power to offer employment immediately. Of course the majority of the employees will not be transferred until the Metropolitan Corporation assumes its various functions and undertakings on January 1st, 1954.

HON. MR. DUNBAR: If you had amalgamation, would the employees of the outlying municipalities have had that protection? We have given protection to the employees. We are the workingman's friend.

Amendment agreed to.

On part VII, section 119.

MR. JOHN YAREMKO (Bellwoods): With regard to 119 I am making the same amendment which was made with regard to the representatives on the Metropolitan Council. This time it is with regard to the School Board.

I move that:

"Subsection 3 of section 119 be amended by striking out all the words after the word "determined" in the fifth line and inserting in lieu thereof the words "by resolution of that board of education passed before the organization meeting of the School Board", so that the subsection shall read as follows:

(3) If after any election, by reason of an acclamation or an equality of votes, it cannot be determined which member of The Board of Education of the City of Toronto from any ward is entitled to be a member of the School Board, the matter shall be determined by resolution of that board of education passed before the organization meeting of the School Board.

Subsection 3 of section 119 presently provides that where, due to an acclamation of an equality of votes, it cannot be determined which member of the Toronto Board of Education from any ward is entitled to be a member of the School Board, the matter shall be determined by lot drawn by the secretary of the "Toronto Board of Education.

The purpose of the amendment is to provide that the matter will be settled, rather than by lot, by a resolution of the Toronto Board of Education to be passed before the organization meeting of the School Board.

This is a recommendation which was made by that very same Board.

Amendment agreed to.

On Section 109:

MR. SALSBERG: Mr. Chairman, I tried to the best of my ability to understand this amendment, and I am a bit afraid of it. Essentially, what the Government seeks to achieve is to give greater protection to the privately-owned bus lines now operating in some of the suburban municipalities. I am not suggesting that the companies now owning these lines should be expropriated without due compensation; I agree they should be compensated, and they certain should not be asked to lose money, but I might say briefly that I contacted some of the most responsible authorities in the Toronto Transportation Commission on this question.

HON. MR. FROST: Mr. Chairman, may I say to the hon. member that this Section was held over so hon. members could give it further consideration. While we have now gone completely through the Act, I am not asking that the Bill be reported. I am asking that it be held in Committee so if there is further consideration desired on any Section or Part, we may go back to it.

I was just speaking to the hon. member for York East (Mr. Beckett), who has been discussing

this Section with the Toronto Transportation Commission, and he has asked me to hold it over for a further period of time in order that some of these matters can be ironed out.

I move that the Committee rise and report progress.

Motion agreed to.

The House resumed; Mr. Speaker in the Chair.

MR. A. KELSO ROBERTS ((St. Patrick)): Mr. Speaker, the Committee of the Whole House reports progress and begs leave to sit again.

Report agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move that you do now leave the Chair and the House resolve itself into Committee of Supply.

Motion agreed to.

House in Committee of Supply, Mr. Roberts in the Chair.

MR. W. L. HOUCK (Niagara Falls): Mr. Chairman, before we go on to the Estimates of the hon. Attorney General, I would like to ask this question because I cannot find it in his Estimates. He will recall that some two or three years ago we passed an Act in this House giving power to magistrates and judges to perform the Act of marriage. I am wondering if the hon. Attorney

General would like to tell the House -- and I am sure it would be of interest -- if the judges and magistrates are called upon to perform many marriages. If I recall correctly, there was a fee of \$10 charged, and that was returned to the Government. I was wondering if this is bringing in much revenue.

HON. DANA PORTER (Attorney General):

Although it is not strictly under my estimates, the hon. member for Niagara Falls asked me whether I could get this information for him. It has to do with judges and magistrates, and I suppose that is the excuse for me giving the information.

Prior to the amendment to the Marriage Act, of course, there was no provision for the solemnization of marriage except by ministers and other religious officers. It was in 1950 that County Court judges and magistrates were authorized to solemnize marriages in Judges' Chambers or Magistrates' Offices, between the hours of nine o'clock in the morning and five o'clock in the afternoon, under the authority of a marriage licence, the fee to be \$10.

The following is a summary of civil marriages solemnized since October 2, 1950, together with the total number of marriages performed

in Ontario, and the comparative percentages,

From October 2, 1950, to March 31, 1951,
488 civil marriages; 16,963 marriages of all
kinds. The percentage of civil marriages
was 2.87 per cent.

From April 1, 1951, to March 31, 1952,
1,225 civil marriages; total marriages, 45,206.
The percentage of civil marriages ws 2.07 per
cent.

From April 1, 1952, to January 31, 1953,
1,338 civil marriages; total marriages, 40,555;
percentage, 3.3 per cent.

In that period the total civil marriages
were 3,051. I think it will be noted that the
percentage of civil marriages has been increasing,
going from 2.87 per cent to 3.3 per cent.

The following figures indicate the number
of civil marriages somenized by the judges and
magistrates in the same period, which is computed
from our cash records, according to the month in
which the fees were received.

From October 2, 1950, to March 31, 1951,
by judges, 125; by magistrates, 296. From
April 1st, 1951, to March 31, 1952, by judges,
220; by magistrates, 998. From April 1, 1952,
to January 31, 1953, by judges, 241; by magistrates,

1,171. The total marriages performed by judges was 586, and by magistrates, 2,465, a total of 3,051.

By comparison, this might be of interest. From the latest figures available, the percentage of civil marriages in other provinces recognizing this form, are as follows:

In British Columbia, 8.1 per cent; Alberta, 6 per cent; Saskatchewan, 4 per cent; Manitoba, 1.9 per cent.

I shall send this memorandum over to the hon. member for Niagara Falls.

MR. OLIVER: Mr. Chairman, last evening when the House adjourned the hon. Attorney General was discussing the lack of unanimity between the Osgoode Hall school and the University of Toronto in connection with law students. I suppose the hon. Minister has ^{read} the editorial in the Globe and Mail of some time ago, which called attention to this matter in a very graphic way, and called upon the Legislature to take a position in regard to it. As one lawyer to another, I would say to the hon. Attorney General that I do not see how we can allow this situation to drift on endlessly. How is it going to be resolved? There must be a meeting place in respect to this

division of interests, there must be some way we can get on common ground and secure a unity of purpose in respect to these matters. Could the hon. Attorney General tell us how we are going to resolve this matter?

HON. MR. PORTER: I explained the other night that I have never been asked to intervene in any controversy.

MR. OLIVER: You sometimes do when you are not asked.

HON. MR. PORTER; Oh no, why should I? The situation is that by law for many years admission to the Law Society of Upper Canada was entirely in the hands of the elected Benchers of the Law Society, a body of men who have been elected by the profession. Elections were held every five years, and if a man has been elected three successive terms, he becomes a life Bencher. There are a few ex officio Benchers, the Attorney-General is an ex officio Bencher, but I have always taken the position that although I attend certain functions of the Society, I do not participate in the actual business of the Society because it might be inappropriate for an hon. member of the Government to do that, so I am not a party to anything which is done there

any more than as I said the other day, that this Government has not been a party to anything which is done by the University.

As I was saying the other night, before we broke off, there is a very widely held opinion amongst the lawyers of this province that the Benchers in this so-called dispute are right, that one of the main issues is,-- and it seems to me this may be the chief issue,--academic training. Is academic training a substitute for practical training under Articles? The Benchers say there should be some academic training and that has never been questioned, the Benchers have the responsibility for carrying on academic training for election to the legal profession, ever since there was any academic training for that purpose in this province. It is only recently the University has entered that field and since the University did enter that field, in spite of the personalities which seem to be bandied about, the Benchers took a very magnanimous and correct attitude, I think, and leaned backwards to do the fair thing.

. They recognized the University course as the equivalent of the Osgoode Hall course, as far as academic training was concerned. One of the points in issue is as to whether there should be two years

or one year under Articles. That is one of the issues and it is quite apparent from what is being said by certain people at the University that the feeling there is that one year is enough for them after the University course. The Benchers feel it does not matter how much academic training--whether it is at Toronto, or Harvard or Oxford, or any other university in the world, -- there is no substitute, for a certain period of practical training under Articles. We have this in the medical profession. There is a certain time, which must be put in by a man who wants to practice medicine and carry on his profession, and meet · and serve the public, in that way. Before he does that, he should have some practical experience under supervision in a hospital for a certain length of time, and as I understand it, the medical profession determines what that length of time should be. Also, as I understand it, the University has always taken the position that it is the Benchers of the Law Society who should determine the period under which a person must serve under Articles. I think they have taken that position again and again and it seems quite clear that some of the people at the University do not quite believe in that,

but think a year is enough. However, the Benchers say two years is essential, and that is one of the major points between the two.

I have practised law myself for eighteen years, and I have had some taste of academic life, not only here but in the Old Country. I am proud of the University of Toronto, and I am very proud of being a graduate of the University. It is a great institution of learning of which we should all be proud, , whether we have had the opportunity to go there or not. I have seen something of that, and I have been to Osgoode Hall and gone through Osgoode Hall. I might say I believe I learned a great deal at Osgoode Hall. I think the course of law I studied there was just right, after going to these other universities; I think the way they carry on the teaching of law is good, and Osgoode Hall has produced great lawyers in this country. This Province has had extremely able and eminent barristers who have held their own not only in the courts of Ontario, but in the Supreme Court of Canada and in the Privy Council in London, over many, many years. They have come from Osgoode Hall and have all served under Articles for the specified period.

(H-1 follows)

The system formerly was a little different, but now it is two clear years, and in the second year, there are certain lectures which are prescribed to be delivered at Osgoode Hall. That is one of the points of controversy between Osgoode Hall and the University. It is unfortunate, but the issue is really not too involved, and is something for which the Benchers have the responsibility. They do not believe -- and they have taken the stand -- that academic training is a substitute for practical training. It has its place, and is equally necessary, but to send a man out to practice, to advise clients, to run a law office, and meet the public, they do not think academic training is as good as the practical. It is for the protection of the public, as well as the man himself, and a certain amount of practical training is vitally essential and all the lectures in the world are no substitute for that.

I must say, having practiced law and having held the position of Minister of Education, which brought me in touch with all these institutions, and also in the position in which I am now, which may be called the link between the legal profession and the Government, it seems to me to be a very sensible position. In my opinion, the men who are

charged with this responsibility have done a magnificent job. I do not think there is any doubt about that. The issue is being ~~beclouded~~ by a great many unfortunate utterances, coming from certain sources, attacking the Benchers, and the Society. I noticed the other night -- although I was not in the House, but I read it in the papers -- that one hon. member spoke about this Society as being a "Priestly Cult". I do not know just what a "Priestly Cult" is, or where he heard the expression, but apparently it was intended as an expression of vilification and abuse. That has been bandied about. It seems peculiar to me when negotiations are under way in an endeavour to secure a better settlement, there should be an attack on the very body which has the power to decide whether a better settlement can be secured or not, and a body which has gone a long way to meet the claims made upon it.

I imagine the doors of the Law Society are always open for conversations, as they have been. Nothing is final. After all, the Society is composed of men of responsibility; they are elected; the legal profession apparently has complete confidence in them, because at the last election of the Benchers, nearly every one was re-elected,

either in spite of or on account of the position they had taken on this issue.

I think it is quite out of the question for this Government at the present time to consider any intervention in a situation of that kind. The Benchers are naturally cautious, and they have gone a long way. They apparently do not feel they can go much farther at the present time. Let us see what the University Law School can produce. They have had no graduates as yet. Osgoode Hall has. Are they going to change the whole system because there is a difference in viewpoint, which is held chiefly by people who have never practiced law, who have lived in an academic atmosphere all their lives, who are perfectly sincere in the belief in the academic substitute for everything else, and believe if a person has sufficient intensive academic training, he does not need any practical training at all. Personally, I cannot follow that line of reasoning.

At any rate, it is not for me to decide. It is for the Benchers, and I must say I think they should be complimented rather than abused for the very reasonable position they have taken and it does not follow at all because a certain settlement has been reached up to date, that

further negotiations will not take place, as they have been taking place continuously over the last period of years.

MR. OLIVER: How many other provinces have a similar set-up?

HON. MR. PORTER: There are no others. In Ontario, legal education began with the barest sort of system. I think it was sometime in the 1860's when the nucleus of the law school took shape. It started with part-time lecturers, and it has gradually developed and grown. It is only in the last three or four years the University has attempted to duplicate what the law school has been doing. The Benchers do not take the position the University should not compete with them, or should not run a duplicate system, if they want to.

MR. OLIVER: The University is doing just the same as universities in the other provinces.

HON. MR. PORTER: That is right, but in the other provinces, they never had a law school. It started in the University here. In British Columbia, I believe, they started a law school just a year or so ago. They had no formal legal education there until that occurred. That is my recollection. In this province, the system was a little different. Here the Benchers have said,

"As far as the academic part of the course is concerned, the University is entitled to carry on in competition with us" -- if you want to call it that -- "but as far as the requirements of practical training under Articles is concerned, it is for us to decide." I do not think the University has ever disputed their right to decide. I think the University disagrees, as I understand it, as to the length of time which should be imposed. Another thing about the law school is it is has been said there is something wrong about it, because it does not run at a loss. It is one of the few educational institutions which "paddles its own canoe".

MR. NIXON: Does it declare dividends?

HON. MR. PORTER: No. It has been said it makes a profit in some years. After the War, for a certain period, the students applying for entrance increased /to a number which was unusually large. During that period, they may have been in the black. At other times, they may have been in the red, but if they are, the deficit is paid out of the Law Society's fund collected from the lawyers and not from the taxpayers. The University school, of course, is very highly subsidized by the taxpayers.

MR. SALSBERG: The lawyers collect indirectly.

HON. MR. PORTER: How?

MR. SALSBERG: By collecting their fees.

HON. MR. PORTER: I suppose they do have to earn a living. However, that is the situation.

MR. SALSBERG: I want to thank the hon. Attorney-General for giving a lengthy reply to the question raised here. It is the conclusion to the question I raised last year when we commenced considering the Estimates of the Department of the Attorney-General. I do not want to follow it up myself. Other hon. members may desire to do that. All I wanted was to have some light shed on a question which is unquestionably a public issue, and the hon. Attorney-General has done that. Whether we shall continue the discussion or not, I do not know. I think it is necessary to point out that the hon. Attorney-General at the beginning, made it very clear that he does not care to take sides. He said he had not been called in. I am wondering if he were called in, would he intervene.

HON. MR. PORTER: That is a hypothetical question.

MR. SALSBERG: I must say this evening he left very little doubt in my mind as to where he stood in this controversy. He may be right. The impression I received was he more or less favoured

Osgoode Hall.

HON. MR. PORTER: Almost every lawyer in the province has his own personal views as to what is right or wrong, in a general way. I have not been asked to investigate this either in a judicial or semi-judicial way.

MR. SALSBERG: Would the hon. Attorney-General be willing to intervene if called upon by either side?

HON. MR. PORTER: That is a hypothetical question. I have not been called upon. They can settle their own differences, if they use a little common sense, and do not start mud-slinging.

MR. A. CHARTRAND (Ottawa East): Mr. Speaker, I do not want to prolong the discussion about the controversy between the University of Toronto and Osgoode Hall. May I point out that at the present time you are going to have a law school at the University of Ottawa, and the province of Quebec has passed an extra-territorial Act, which allows them to teach law, and to have their students accepted in the practice of law in the province of Quebec. The Act has just been passed and the new school will be opened on the 15th of September, next.

I presume its graduates later on will probably apply to be enrolled as solicitors in the

province of Ontario. I think the wedge has already been inserted. I wonder if it would not be the duty of a Committee to meet and iron out these difficulties. To my mind, the paramount issue is the convenience to the public. At present, we have only one law school, and six or seven universities, and it might be well to consider the appointment of a Select Committee on education to investigate the matter.

HON. MR. PORTER: I am astonished that a suggestion for a Committee on Education has come from the other side of the House. I think the Benchers can handle this themselves.

MR. NIXON: I wonder, Mr. Speaker, if we cannot now get down to the Estimates of the Department of the Attorney-General.

On Vote 23, Item 4, "Crown Counsel Prosecutors, \$15,000". I notice that amount has gradually been reduced through the years. I do not know how much they spent last year. Perhaps the hon. Attorney-General will tell us. Certainly, years ago, it amounted to a great deal more, and in many cases throughout the Counties, outside counsel was sent in to represent the Crown in prosecutions. While we may have saved a few thousand dollars by cutting this vote down by using

fewer outside counsel, I wonder if the hon. Attorney General is satisfied with the manner in which the Crown cases have been presented to the Courts.

HON. MR. PORTER: I suppose, Mr. Speaker, we will never have perfection. However, I think the Crown cases are quite adequately handled by the Crown Attorney who are constantly engaged in prosecuting cases in the Courts, perhaps better than by some counsel who has not had much criminal practice. Then, too, there are men who are eminent in criminal practice, but they are generally engaged by the other side, and do not think our fees are attractive enough.

What we have attempted to do -- and are still attempting to do -- is to bring all Crown Attorneys onto a full-time salary basis. There are some places where the volume of business is not so great, where the Crown Attorney is a part-time man. It is not entirely satisfactory, but it serves its purpose. On the whole, our experience has shown that a full-time Crown Attorney is in a better position to handle cases, because sometimes a lawyer in general practice may be acting for certain clients, and there may be a conflict of interest. I know there have been criticisms against some Crown

Attorneys in the way certain cases have been handled, but lawyers are always criticized, especially when they lose cases.

(TAKE II FOLLOWS)

HON. MR. FROST: Mr. Chairman, these cases used to be handled altogether by counsel appointed from outside areas. That system was changed by the Government of which the hon. member for Brant (Mr. Nixon) was a member; When Mr. Roebuck was Attorney General he changed it. If it is not satisfactory, remember it was initiated by yourselves.

MR. NIXON: . We have had a great deal of experience since then. The hon. Prime Minister (Mr. Frost) knows some of these cases affect a number of local people, and the Crown Attorney gets in disfavour locally. If the case could be handled by an outside man, and when it is over he is gone, /there is no "hangover" . . . which might create prejudice against the Crown Attorney.

HON. MR. FROST: As the hon. member knows that was abolished for reasons of economy by the Hepburn Government.

MR. NIXON: Yes. What I really want to know is, do you expect to spend that \$15,000?

HON. MR. PORTER: Sometimes there are special reasons for sending a Crown Attorney from one county to another. For instance, where the Crown Attorney of the county for which

the case arose was concerned in some way with one of the parties. Under such circumstances, that is done. I do not know of any occasion in the last year when we have employed special counsel in ordinary prosecutions, except in some of the commission inquiries we have had.

Votes 23 to 28 inclusive agreed to.

On Vote 29:

MR. YAREMKO: Mr. Chairman, I wonder if the hon. Attorney General has any statistics on 29(4), from which he could advise us the use made of Legal Aid Fund, and what is being done by the Law Society in that regard.

HON. MR. PORTER: Mr. Chairman, that grant was made to the Law Society as a contribution toward their Legal Aid Fund; that is, the fund out of which they pay lawyers for acting for clients who cannot afford to pay legal fees. As hon. members are no doubt aware, the Legal Aid Fund is one which is carried on entirely by the Benchers and the Law Society, staffed by them, the work being distributed by them entirely, for which they pay a certain scale of fees to lawyers who are assigned to Legal Aid cases. It might be criminal cases; it might be civil matters of any kind, or it might be merely advising as to

some small transaction or dispute a person might have. If the persons involved can show they are unable to pay, they can get service free from the Legal Aid Fund.

Before this Fund was set up, Mr. Chairman, the Government paid for counsel in murder cases where the accused was unable to pay any fees. In other words, where the accused was insolvent, the Crown has paid at a certain scale per day the fees of some lawyer assigned to a case involving capital punishment. In view of the setting up of the Legal Aid Fund, which now takes care of those cases, we agreed to make this contribution. I may say this was entirely on my suggestion; it was not even asked for by the lawyers.

I think this is about the only thing even indirectly in the nature of a contribution to the Law Society. Actually, of course, it is not to the Society; it is to the Legal Aid Fund. It amounts roughly to what we used to set aside for murder cases where we paid the fees for the defence, so we simply make that contribution to the fund in that manner.

MR. YAREMKO: The sum of \$3,000 is not representative of the total work done by the

Legal Aid Fund?

HON. MR. PORTER: Oh, no; this is merely the contribution we make to that fund. The fund is put up by the lawyers through the Law Society. They supply the money for the fund, and it is paid out to lawyers who are on the panel and assigned to Legal Aid cases. In Toronto, I understand the sheriff is in charge of the administration of Legal Aid, and this is merely a comparatively small contribution. Of course I have not those figures; it has nothing to do with my Department. It concerns the Law Society itself. In effect this is simply a contribution in substitution for the amount we formerly paid for defence in murder cases.

MR. CHARTRAND: Mr. Chairman, on Item 14, "Magistrates and juvenile court judges," would the hon. Attorney General tell me if there is a decrease of part-time magistrates and juvenile court judges since last year, or if the expenditure has been reduced?

HON. MR. PORTER: Mr. Chairman, I have not the figures here showing exactly how many have been added in the last year, but there have been several new appointments of juvenile court judges, in different localities.

MR. CHARTRAND: I am interested mainly in the part-time ones.

HON. MR. PORTER: Outside the City of Toronto, the juvenile court judges are almost entirely part-time -- I think entirely so.

MR. CHARTRAND: And the magistrates?

HON. MR. PORTER: That is with the exception of Ottawa, I understand. In the case of the magistrates, there are about sixty full-time and about ten part-time.

MR. CHARTRAND: Is that an increase or decrease over last year? What is the trend?

HON. MR. PORTER: The trend is toward less part-time. I can get the information for the hon. member for Ottawa East if he wishes me to do so.

MR. NIXON: Mr. Chairman, on the previous item, No. 13, "Supervising coroner, salary \$1,000," does he get any fees in addition to that, or does that cover all his work?

HON. MR. PORTER: He is the coroner for the City of Toronto and is paid by the City of Toronto for his services. That is his main position, and as supervising coroner for the Province he is paid this \$1,000 as a supplementary salary.

MR. SALSBERG: Mr. Chairman, he is well worth it, a very good man indeed. With regard to Item 29, which is statutory and is the last item in that Vote, I do not know whether the hon. Attorney General wishes to do so now -- and I am not pressing for it if he is not inclined physically at this hour to undertake it -- there is a very important question in connection with the probationary officers and general probationary work.

HON. MR. PORTER: Mr. Chairman, there is another item on probation, which we shall come to in a moment. .

MR. SALSBERG: If the hon. Attorney General wishes to take care of it there, it is immaterial to me. It is statutory.

HON. MR. PORTER: What is the question of the hon. member?

MR. SALSBERG: The hon. Minister of Reform Institutions (Mr. Foote) stated during the consideration of his own Estimates that in his opinion there were altogether too many people in the jails of the Province. He stated also that the hon. Attorney General was very much interested in the extension of probation, and I received the impression from what he said that the hon. Attorney General was

experimenting in this field. The newspapers responded to what the hon. Minister of Reform Institutions said, giving prominence particularly to his suggestion that more fines be imposed rather than mandatory jail sentences, especially in certain offences against the liquor law.

HON. MR. PORTER: But that is all changed now. . . . The situation will be relieved, I am sure.

MR. SALSBERG: Mr. Chairman, I am not pressing the hon. Attorney General, but if he wants to make any comment at this time on the experiences of his Department in connection with the probationary work, I shall be glad to give him a moment to collect his thoughts.

HON. MR. PORTER: I do not need any time to collect my thoughts.

MR. SALSBERG: I thought the hon. Minister had so many he might require some time to collect them. He is one of the few gifted men who has them to collect. I understand this is an extremely important phase of the work of his Department, and one of tremendous public interest, and anything he may have to say will be greatly appreciated by the House and by the public at large, I am sure.

HON. MR. PORTER: And by the hon. member for St. Andrew.

MR. SALSBERG: I am a member of this House.

HON. MR. PORTER: Mr. Chairman, as I stated in the House last year, we have appointed a Director of Probation Services for the Province, Mr. D. W. F. Pogrom, who has a staff of thirty-two who are probation officers in the large cities. His first duty was to survey the situation throughout the province and make certain recommendations as to what steps should be taken to improve and expand probation services, not only in the juvenile courts but in the adult courts as well.

In the juvenile courts the probation officers are paid by the municipalities in most cases. In the adult courts -- that is in the regular magistrates' courts -- probation officers are appointed by the Province and paid by the Province, being civil servants. In some cases, where there is an insufficient volume of business to keep one man busy in one court, we have made the appointment of a probation officer under The Probation Act, and he has also been given authority to act in the juvenile court as well.

The main problem with which we are faced is extending the service. Probation service is of no use whatever unless it is a well-trained service, a well-informed service by people who have ability and the aptitude for that special type of work. Those people are not always easy to get in great numbers at a given moment, so steps are being taken to gradually increase the number of probation officers on the staff and to provide for some types of courses, some of the refresher courses for the ones who are already there, and others for those who are coming in. That is in essence, the program that lies before us.

I do not think there is any doubt that probation will do much to relieve the jail of many of their occupants. I do not think there is any doubt about that, but that is only a very small portion of the benefit from probation, because there is no doubt but there are an a great many cases that come to the courts for lack of probation reports, and for lack of qualified information from probation officers in which the Judge has no alternative but to sentence the man to prison.

If there is a proper probation service, well-informed and with the training for this work, then they have the means of following up these cases while they are on probation. Very often a person, especially a first offender, can be returned to society without the stigma attached to him of having spent some time in Jail.

That has been proven abundantly in Great Britain and some of the states of the United States, where they have had a more advanced probation service than we have had here. But we are making advances which necessarily will be slow for a while, but it is hoped by persistence and carrying on in a sound way we shall gradually expand this service to be of very great use to society in all its aspects in our province.

Of course probation does not mean that all cases should be dealt with in that way. There are certain types of cases where probation is no substitute for severe penalties, we must admit, . . . , and I do not think by the extension of probation service we are changing our policy as to the enforcement of the Criminal Code Act.

at all, except in cases which could best be handled, with a view to reform by allowing a man to remain in his job and support his family, rather than languishing in jail at the taxpayers' expense. Where that situation arises, then probation is the solution.

MR. GRUMETT: I notice this item is increased by 6 per cent. I presume the increased estimate is provided for the extension of the services in the future.

HON. MR. PORTER: That is right.

Votes 29 to 34 agreed to.

On Vote 35.

MR. OLIVER: On Vote 35, Mr. Chairman, will the hon. Attorney General tell us what the present salary of Provincial Police Constable is, and when it was last raised?

HON. MR. PORTER: Does the hon. Leader of the Opposition want the full scale of salaries or just the constables' salaries?

MR. OLIVER: Probationary Constables and Constables,

HON. MR. PORTER: Probationary constable, \$2,240 yearly plus the cost of living bonus.

The constables' salaries range from \$2,340 to \$2,860 plus the cost of living bonus, which amounts to \$420.00 to start.

MR. OLIVER: I noticed in answer to a question that the guards at the Don Jail earned \$2,840. Would that be plus cost of living bonus?

HON. MR. PORTER: They do not get a cost of living bonus in addition because they are paid by the City. They are City employees and we pay the City.

MR. SALSBERG: And the City has absorbed the cost of living into the wage structure which the Province has not yet done.

HON. MR. PORTER: What does it matter as long as they get the money?

MR. OLIVER: One more question: How many municipalities require policing by the Provincial Police, and has there been an increase or a decrease in the number during the past year.

HON. MR. PORTER: Ninety-three municipalities are policed by 198 officers under the provisions of the Police Act.

MR. OLIVER: Is there an increase or

decrease over last year?

HON. MR. PORTER: It was eighty-nine last year.

MR. OLIVER: It would be an increase.

HON. MR. PORTER: It is a much larger figure than I thought.

MR. GRUMMETT: The increase given to Police Constables now is approximately \$200 a year greater than it was two years ago, is it not? It used to be the starting salary for a constable was \$2,140. I believe now it is \$2,340 plus cost of living bonus. That means there is an overall increase of \$200 to a constable starting in on his work.

HON. MR. PORTER: Two years ago it was \$2,140 and now it is \$2,340 to start.

MR. GRUMMETT: I would like to see the salaries increased. I agreed with the hon. Attorney General when he said a few days ago that he believed this to be one of the best police forces on the North American continent. I agree wholeheartedly with that. I believe the Provincial Police Force of Ontario to be one of the best in America, and in order to ... keep ... it at that high standard, I would like

to see these men paid a salary which would compare with that paid to Municipal Police.

I know . . . the salary paid to Municipal Police varies to a great extent from town to town, but it causes a little discontent amongst the regular officers of the Ontario Force to have certain officers in municipalities paid a much greater salary, and if we could adjust the salaries in some way so there would not be any disparity, I think it would tend to make the officers of the Ontario Provincial Police Force more content.

I would like to congratulate the hon. Attorney General on the establishment of the living quarters for officers. It is another factor which will build up permanency on the Force and mean a great deal in establishing a Force that is going to continue. The men will make it their life profession and not just stay with it for a year or two and then withdraw when they see another opportunity to become officers in a municipality.

I want to end by saying I am making a special plea to have the salaries of Provincial Officers increased.

HON. MR. PORTER: What I have said on other occasions I will repeat, that salaries are constantly under revision, and the number of resignations have fallen off quite substantially in the last couple of years.

MR. OLIVER: May I ask the hon. Attorney General what was the greatest number of Provincial Police engaged in doing guard duty at the Don Jail?

HON. MR. PORTER: We had eighteen at one time.

MR. OLIVER: Are there any there now?

HON. MR. PORTER: The last three went out last Saturday.

Vote 35 agreed to.

On Vote 36.

MR. SALSBERG: Before we complete Vote 36, I would like to ask whether it is within the Attorney General's Department where control is exercised over money-lending companies.

HON. MR. PORTER: In the Department of Insurance . It is under my direction; but not part of the Attorney General's Department. It is an entirely separate department of government which happens to be under the Attorney General.

MR. SALSBERG: Would it be correct for me to bring to the hon. Attorney General's

attention some new legislation which has been introduced in the Alberta Legislature which I think is very laudable and should be followed by this Province.

HON. MR. FROST: I suggest the hon. member should raise that in his budget address.

MR. SALSBERG: I have so many things in my budget address, the more I include in it, the longer it will be.

HON. MR. FROST: It has nothing to do with these estimates whatever.

MR. SALSBERG: In Alberta they have new legislation under the Attorney General --

HON. MR. PORTER: We passed on those estimates the other night.

MR. SALSBERG: If I raise it I am told I am my feet too often and if I do not I am told, "You had a chance and did not use it."

However, this is the most innocent suggestion. All I wanted to do was to draw attention to the new legislation introduced in Alberta which controls the money-lending organization in respect to banks, so that people who borrow money from them get more protection than formerly. I would recommend that to the

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hon. Attorney General, for his consideration
and ultimate solution to this problem.

(Take KK follows)

HON. MR. FROST: Mr. Chairman, I move
the Committee rise and report progress.

Motion agreed to.

The House resumed; Mr. Speaker in the Chair.

MR. T. L. PATRICK (Middlesex North): Mr.
Speaker, the Committee of Supply reports progress
and begs leave to sit again.

Report agreed to.

THE LAKES AND RIVERS IMPROVEMENT ACT

HON. H. R. SCOTT, in the absence of Mr. Gemmell,
moved second reading of Bill No. 126, "An Act to
amend The Lakes and Rivers Improvement Act."

Motion agreed to; second reading of the Bill.

He said: This Bill is being referred to
the Lands and Forests Committee.

PROVINCIAL LAND TAX ACT

HON. H. R. SCOTT, In the absence of Mr.
Gemmell), moved second reading of Bill No. 127, "An
Act to amend The Provincial Land Tax Act."

Motion agreed to; second reading of the Bill.

He said: This Bill is being referred to
the Lands and Forests Committee.

THE PUBLIC LANDS ACT

HON. H. R. SCOTT, in the absence of Mr.
Gemmell, moved second reading of Bill No. 128, "An

Act to amend The Public Lands Act."

Motion agreed to; second reading of the Bill.

BOUNDARY BETWEEN THE PROVINCES OF
ONTARIO AND MANITOBA

HON. H. R. SCOTT, in the absence of Mr. Gemmell, moved second reading of Bill No. 138, "An Act respecting the Boundary between the Provinces of Ontario and Manitoba."

Motion agreed to; second reading of the Bill.

He said: Similar legislation has been passed in Manitoba, and I would like to have this passed as rapidly as possible.

GAME AND FISHERIES ACT

HON. H. R. SCOTT, in the absence of Mr. Gemmell, moved second reading of Bill No. 139, "An Act to amend the Game and Fisheries Act."

Motion agreed to; second reading of the Bill.

He said: Mr. Speaker, again this Act has not been printed, but the Fish and Game Committee is meeting tomorrow morning, and I would like to have it referred to them.

THE UNIVERSITY OF TORONTO
ACT, 1947

HON. W. J. DUNLOP (Minister of Education) moved second reading of Bill No. 140, "An Act to

amend The University of Toronto Act, 1947."

Motion agreed to; second reading of the Bill.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, the hon. Minister of Education (Mr. Dunlop) gave an explanation on first reading. I would suggest that perhaps a few words would not be amiss at this stage. When the University bill was brought in in 1949 there was very little discussion, but there was a lot of discussion after the House had prorogued, and it became quite an issue. I believe there were only a couple of us who participated in a very modest way in discussing that, but the general criticism after the Bill had been enacted was that too many big business men are being appointed to the Board, and not enough people of academic and other merits find their way to the Board.

HON. MR. FROST: Let me say to the hon. member for St. Andrew that the criticism of what he calls "big business men" on the Board is hardly valid, for this reason: the Board of Governors is really the management committee; it is the Senate which ~~represents~~ the academic end, that deals with that particular question. When you come to the matter of appointing big business men, "may I

say that since 1949 there have been two appointments by the Government; one was Dr. Cody. You would agree with that?

MR. SALSBERG: Very much so.

HON. MR. FROST: The second one was Dr. Ketchum, the Principal of Trinity School at Port Hope. Then there was Mr. Dalgleish, who is a working journalist, appointed following the vacancy caused by the passing of Mr. McCullough. You would not call Mr. Dalgleish, Dr. Ketchum and Dr. Cody big business men?

THE HIGHWAY IMPROVEMENT ACT

HON. G. H. DOUCETT (Minister of Highways) moved second reading of Bill No. 141, "An Act to amend The Highway Improvement Act."

Motion agreed to; second reading of the Bill.

HON. MR. FROST: I would call the Rents Control Bill if it was thought it was not contentious.

MR. W. J. GRUMMETT (Cochrane South): I would ask the hon. Prime Minister to hold that over.

THE POLICE ACT

HON. DANA PORTER (Attorney General) moved second reading of Bill No. 82, "An Act to amend The police Act."

Motion agreed to; second reading of the Bill.

HON. MR. FROST: I might say that Orders 51, 52 and 53 arise out of the unconditional grant Bill which has been discussed, and fully explained.

THE FIRE DEPARTMENTS ACT

HON. DANA PORTER (Attorney General) moved second reading of Bill No. 83, "An Act to amend The Fire Departments Act."

Motion agreed to; second reading of the Bill.

THE MORTGAGE TAX ACT

HON. DANA PORTER (Attorney General) moved second reading of Bill No. 84, "An Act to repeal the Mortgage Tax Act."

Motion agreed to; second reading of the Bill.

HON. MR. FROST: Mr. Speaker, there will be an amendment to that Act in Committee in connection with advancing the date, as was explained on the Budget, from the 1st of January, 1954, to the 1st of April.

THE PHARMACY ACT

HON. M. PHILLIPS (Minister of Health) moved second reading of Bill No. 125, "The Pharmacy Act, 1953."

Motion agreed to; second reading of the Bill.

He said: Mr. Speaker, with the permission of the House I would like to refer this to the Health Committee, which will sit Friday morning.

BRUCELLOSIS CONTROL

HON. G. H. DOUCETT (Minister of Highways) moved second reading of Bill No. 130, "An Act respecting Brucellosis Control."

Motion agreed to; second reading of the Bill.

He said: This Bill will go to the Agriculture Committee tomorrow.

FARM PRODUCTS MARKETING ACT

HON. G. H. DOUCETT (in the absence of Hon. Mr. Thomas) moved second reading of Bill No. 131, "An Act to amend The Farm Products Marketing Act."

Motion agreed to; second reading of the Bill.

He said: This Bill will go to the Committee.

THE WARBLE FLY CONTROL ACT, 1952

HON. G. H. DOUCETT (in the absence of Hon. Mr. Thomas) moved second reading of Bill

No. 132, "An Act to amend the Warble Fly Control Act, 1952."

Motion agreed to; second reading of the Bill.

THE PRIVATE SANITARIA ACT

HON. M. PHILLIPS (Minister of Health) moved second reading of Bill No. 133, "An Act to amend the Private Sanitaria Act."

Motion agreed to; second reading of the Bill.

He said: This Bill will be referred to the Health Committee.

THE CEMETERIES ACT

HON. M. PHILLIPS (Minister of Health) moved second reading of Bill No. 134, "An Act to amend The Cemeteries Act."

Motion agreed to; second reading of the Bill.

He said: This Bill will also go to the Health Committee.

THE RURAL TELEPHONE SYSTEMS
ACT, 1951

HON. G. H. CHALLIES (Minister without Portfolio) moved second reading of Bill No. 136, "An Act to amend The Rural Telephone Systems Act, 1951."

Motion agreed to; second reading of the Bill.

He said: Telephone service in Ontario is provided by the Bell Telephone Company of Canada and 497 smaller systems varying in size from a very few telephones to the largest system serving over 23,000 subscribers. The number of subscribers served by these smaller systems totals 164,000, including approximately 95,000 rural.

Generally referred to as "Independent Telephone Systems" the smaller organizations have, through the years, rendered important and most valuable service to the people and to the economic and home life of rural Ontario. In more recent years, many of these systems have experienced considerable difficulty in maintaining and improving the facilities necessary to provide satisfactory and dependable service.

In 1948 a statistical survey was made which indicated that a number of these smaller systems, for different reasons, might find it impossible to renew their obsolete facilities. Others, it was hoped, would find improvements possible with telephone equipment becoming more readily available after wartime shortages and with higher subscriber rates permissible. Many of these systems did undertake improvement and reconstruction programs but a substantial number

have been unable to do so with the result that important areas in rural Ontario are not adequately served with communication facilities.

Important assistance is being given many of these systems as a result of the Committee's deliberations, through an amendment to the Rural Telephone Systems Act, enacted at the first Session of the 24th Legislature, 1952, which empowered The Hydro-Electric Power Commission of Ontario to make agreements with these telephone systems providing for the joint use of poles at low cost.

The type of ownership of the 497 systems operating at the end of 1951 is shown in the following table, which also shows the number of telephones in each of the groups.

ORGANIZATION OF TELEPHONE SYSTEMS

<u>Type of System</u>	<u>Telephone Systems Number</u>
1. Systems owned by individuals or partnerships of less than five persons	54
2. Systems owned by incorporated telephone companies	304
3. Systems owned by incorporated companies other than telephone companies	6
4. Systems operated as public utilities by municipal corporations	10

5. Municipal systems	116
6. Systems owned by federal or provincial government departments or commissions	<u>7</u>
	497

A more detailed description of two of the six groups is given below.

- 2. Systems owned by incorporated telephone companies. These companies account for 304 or 61 per cent of the telephone companies in the province, and operate 86,554 or 53 per cent of the telephones.
- 5. Municipal systems. Municipal systems operate the second largest group of independent telephones consisting of 116 or 23 per cent of the companies and 38,619 or 24 per cent of the telephones. These companies are very important in the rural field as over 80 per cent of the telephones they operate are rural.

There are obviously too many in the low group and too many of the middle group are likely charging lower rates than necessary to provide good service.

The systems' own opinion of their rates, also shown in Table 4 was that 55 per cent thought them insufficient to provide a good service.

SYSTEMS' OPINION OF ABILITY TO
OBTAIN CAPITAL

It will be noted that 67 per cent feel they can secure money needed for expansion and rebuilding.

SIZE OF TELEPHONE SYSTEMS

It will be noted that more than half of the systems operate less than 100 telephones each and that nearly 80 per cent have less than 300. Since the average system of less than 300 telephones cannot justify or afford a full-time employee to construct and maintain the plant, and still less pay for management which is experienced in the telephone business, it is obvious that at least this 80 per cent of the total systems are operated not as a business but as something secondary to the principal occupations of the people concerned.

Maximum interest in amalgamations is in the 101-300 size grouping, showing awareness of the problem among the systems not large enough to operate properly.

RECOMMENDATIONS

The Government has two courses open:

- (a) Enter into ownership and operation of telephone systems.
- (b) Give assistance and direction to existing systems.

It is the opinion of the Committee that no steps should be taken which will result in government acquisition and operation of rural telephone systems, unless future conditions should

make it necessary. In Alberta the Government system did operate, but disposed of, rural lines, due to difficulties and losses involved in their operation. In Saskatchewan it has operated practically no rural lines and wishes to avoid it. In Manitoba it operates practically all telephones, but revenues from the larger exchanges and long distance service are needed to support the rural service.

It is believed that the Government can assist existing telephone systems to give the type of service required at much less expense than through ownership and operation. The larger systems can be expected to co-operate with the Government, both in aid to smaller systems and in taking considerable responsibility for extending service to unserved areas.

: It is realized that the general method suggested and the specific recommendations which follow do not promise rapid improvement throughout the province. It will be a gradual process, requiring for its success an efficient organization and the continued support of the Government. The Committee is confident that it is the method holding most promise and most likely to receive the co-operation of the individuals and groups

concerned.

The Officials appointed under this Act shall -

- (a) Inquire into the communications needs of the Province, both immediate and future, and to co-operate with and assist the companies in establishing adequate facilities;
- (b) Co-operate with and assist the smaller companies to amalgamate with others in order to form companies of sufficient size to permit efficient operation and to provide adequate service;
- (c) Provide engineering and other technical advice to companies; and
- (d) Develop a system of accounting best suited to small companies and to promote and assist in its adoption.

(L-1 follows)

The objectives set out in the report are indicated in Sections 1, 2, 3 and 4 of the Bill.

To summarize the recommendations of the Committee, may I say I think the Government can assist in giving better service to the smaller independent telephone companies, by giving them direction, assisting them in their technical services, and, above all, to give them assistance in amalgamating a number of these smaller systems into a larger system, which will make the unit large enough to be economically operated, under its own direction, and its own management.

That is the purpose of the Bill, and we hope to select someone of ability, who will be responsible for carrying out the objects of this Act. It will naturally be slow, because it is a new field, but by making progress slowly, we feel we can give better service to the rural people of the province of Ontario, in the way of direction in regard to amalgamation, in regard to a system of accounting, and by supplying all the technical advice we can give them.

I, therefore, move second reading of this Bill.

MR. C. E. JANES (Lambton East): Mr. Speaker, I would like to thank the Government for

the action they have taken to assist our independent telephone systems. I have had considerable experience working with them, and I know they do need help. The hon. Minister has really not told you how bad they are in many cases. In some cases, we have as many as 20 systems operating out of one town, and it has been impossible to get them to come together so far, under any working agreement. I hope great care will be taken in choosing men with good public relations qualifications because that will be a very important point, and we may have to give them authority to use a little pressure on some of these small companies.

One reason which was given for not coming in, was the fact they have a dinner each year and they would dislike not being at the dinner. That is one reason given for not amalgamating. I do think a great deal can be done to assist the farmers in the outlying districts, in regard to telephone service.

I am entirely in agreement with the section of the Bill, and I feel the amalgamation of these companies is the most important factor of all, although we may have to assist them some in a financial way.

MR. W. J. GRUMMETT (Cochrane South): I wish to also commend the Government for bringing in this Bill, because I think it will assist the small rural telephone companies. No one can deny they have served a very useful purpose; they have done a job; and to permit them to die and pass away would be unfortunate. Anything we could do to help them get together, I think we should do, and their efforts to operate in certain areas should be supported.

I congratulate the hon. Minister for bringing forward this Bill. I believe it will result in the permanent establishment of these smaller companies. It would be just too bad, if we allowed them to disappear, and found ourselves some day with one great corporation controlling the telephone service of Ontario.

HON. MR. CHALLIES (Minister without Portfolio): Mr. Speaker, I perhaps should have mentioned that I hope within the next two weeks, to have a complete report from this very excellent Commission, headed by Col. R. E. Smythe, Consulting Engineer,

With him is associated Mr. H. A. Rogers, secretary of the independent telephone companies, and Mr. V. Flynn,

President of one of the independent telephone companies. They have assisting them, two technical men from the Bell Telephone Company, and these men have put in a great deal of time and effort as a patriotic gesture to the province of Ontario. They have covered the western provinces, the R.E.F., in Washington, and what they have learned from their studies will be contained in the report. I hope to have a copy of the report for each hon. member within a couple of weeks, which the hon. members may retain for their own study and consideration.

MR. JANES: I know these gentlemen have been making inspections and they are all very capable men. I might add there is no other place the people can get telephone service, because the Bell is not interested in them, because their lines do not pay.

HON. MR. CHALLIES: If you can get an energetic director to lead this movement, backed by the Government, it will be very helpful. As the hon. member for Cochrane South (Mr. Grummott) said, they are doing a wonderful job in regard to amalgamation, if nothing else, and providing them with a system of bookkeeping and setting up a system of financing. The difficulty is they have

been going on a day-to-day basis without any contingent reserve, and if anything happened, the line just went to pieces. It will be an excellent job for a good man, and I know the service the province can render to the rural areas would be as valuable as that rendered by the rural Hydro-Electric service.

Motion agreed to; second reading of the Bill.

THE POWER COMMISSION ACT

Hon. Mr. Challies moves second reading of Bill No. 137, "An Act to amend The Power Commission Act".

Motion agreed to; second reading of the Bill.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, may I say I would like to accede to the request by the hon. Leader of the Opposition and have some of the addresses on the Budget. I think we might have several tomorrow.

We might follow them with second readings. There are two Orders for second readings, one the Rent Control Bill, and a Bill introduced by the hon. Minister of Welfare. Then, we might take up the Estimates of the Department of Travel and Publicity, to be followed by the Estimates of the Department of Health, and then attend to the

Committee work which is on the Order paper. Of course, we will not complete all that tomorrow. We are hoping to have the Estimates of the Department of Agriculture on Friday.

MR. OLIVER: No night session tomorrow night?

HON. MR. FROST: I think we may have a night session. It depends largely on the number of speakers presenting their addresses on the Budget.

May I say, Mr. Speaker, that I am not sure about next Tuesday, as to whether the House will sit, owing to the funeral of the late Queen Mary. It depends on the situation at Ottawa. There is, of course, that possibility, and if that be so, I would like to have as many speak tomorrow as possible, and perhaps we may require a night session tomorrow night and Monday night, to provide time for the speeches the hon. members want to make.

Should the House not meet on Tuesday, that does not mean public business will not be carried on. In fact, I understand that Committees of the House will meet on that day, although the Legislature will not be in session. I think the Committees could proceed in the ordinary course, because the Building will be open, and public business will be transacted that day. Of course,

we would not want to sit in the Legislature, if that is the course being followed by Ottawa, I think it is only proper such a mark of respect be shown, if that be the official course of things. I do not know now. We will have to wait and see.

Mr. Speaker, I would move, seconded by Mr. Doucett, that when this House adjourns the present sitting thereof, it stands adjourned until two o'clock, tomorrow afternoon, and that Rule 2 of the Assembly be suspended insofar as it pertains to this motion.

MR. OLIVER: Is the hon. Prime Minister sure that is necessary? If we are going to have a night session, starting at two o'clock is quite a chore. I think if we are going to have a night session, we might meet at three o'clock. I understand a number of Committees are meeting tomorrow morning, and it will probably be one o'clock before they finish their Committee work.

HON. MR. FROST: If the hon. Leader of the Opposition thinks it would be better to meet at three o'clock, I am quite satisfied. I will withdraw the motion.

Mr. Speaker, I move the adjournment of the House.

Motion agreed to.

The House adjourned at 11.16 of the clock.p.m.



Third Session
of the
Twenty-Fourth Legislature
of the
Province of Ontario

— 0 —

Toronto, Ontario, February 12, 1953, et seq.

— 0 —

Volume XXXI

Thursday, March 26, 1953.

— 0 —

HON. (Rev.) M. C. DAVIES, - Speaker.

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P R O C E E D I N G S

of the

THIRD SESSION OF THE TWENTY-FOURTH LEGISLATURE
OF THE PROVINCE OF ONTARIO, ASSEMBLED IN THE
PARLIAMENT BUILDINGS, TORONTO, ONTARIO, THURSDAY
FEBRUARY 12th 1953, ET SEQ.

Hon. (Rev.) J. C. Davies

Speaker.

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Toronto, Ontario,
Thursday, March 26, 1953.
3:00 o'clock p.m.

And the House having met.

Mr. Speaker in the Chair.

Prayers.

MR. SPEAKER: We are happy today to welcome students from the Memorial School in Hamilton and from Owen Sound Collegiate Institute. Coming from these distances, we sincerely hope their stay in Toronto has been beneficial and the climax will be in their visit to this Legislature this afternoon.

Presenting petitions.

Reading and receiving petitions.

Presenting reports by Committees.

MR. R. M. MYERS (Waterloo South): I beg leave to present the Report of the Committee on game and fish and move its adoption.

CLERK ASSISTANT: Mr. Myers from the Standing Committee on Game and Fish presents the following as its report:

"Your Standing Committee on Fish and Game begs leave to report the following Bill without amendment:

Bill No. 139, An Act to amend The Game and Fisheries Act.

Your Committee recommends that the Report of its proceedings be printed as an Appendix to the Journals of the Legislature.

All of which is respectfully submitted.

(sighed) R. M. Myers,
Motion agreed to. Chairman."

MR. THOMAS R. DENT (Oxford): Mr. Speaker, I beg leave to present the report of the Standing Committee on Agriculture and Colonization and move its adoption.

CLERK ASSISTANT; Mr. Dent from the standing Committee on Agriculture and Colonization presents the following as its report:

"Your standing Committee on Agriculture and Colonization begs leave to present its Report as follows:

"Your Committee begs to report
the following Bills without amendment:

Bill No. 69, An Act to amend
The Agricultural Societies Act.

Bill No. 70, An Act to amend The
Agricultural Association Act.

Bill No. 130, an Act respecting
Brucellosis Control.

Bill No. 131, An Act to amend The
Farm Products Marketing Act.

Bill No. 132, An Act to amend The
Marble Fly Control Act, 1952.

All of which is respectfully
submitted.

(Signed) Thomas R. Dent,

Chairman."

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of Bills.

THE PUBLIC COMMERCIAL VEHICLES
ACT

HON. GEORGE H. DOUCETT (Minister of
Highways) moved first reading of a bill intituled,
"An Act to amend the Public Commercials Vehicles
Act".

Motion agreed to.

First reading of the Bill.

He said: Mr. Speaker, the amendments
are designed to enable the Ontario Municipal

Board to take into consideration matters other than public necessity and convenience in dealing with applications for certificates.

Secondly, it gives them the power to make regulations as to exemptions.

THE MILK CONTROL ACT

in the absence of Mr.Thomas,
HON. George H. Doucett/moved first reading
of a Bill intituled, "An Act to amend the Milk
Control Act."

Motion agreed to; first reading of the Bill.

He said: Mr.Speaker, there are two slight amendments here. The first amendment is to clear the orderswhich have been made with respect to the Associations supplying milk to processors or to distributors or both.

Secondly, the amendment makes it clear that the areas specified in a licence may beeither distribution areas,designated under the Regulations,or other areas. That has to do with the distribution of milk so they will have a definite area. That is the way they have been carrying on, but we wanted the Act clarified as to regulations.

THE LEGISLATIVE ASSEMBLY ACT

Hon. Dana Porter (Attorney-General) moved first reading of a Bill intituled, "An Act to amend the Legislative Assembly Act.

Motion agreed to; first reading of the Bill.

HON. MR. FROST: Mr. Speaker, this proposed amendment to the Legislative Assembly Act is made necessary due to the fact these days we have so many committees of the House and other committees sitting, upon which there are hon. members of the Assembly.

The discussions involved a scrutiny of section 8 of the Legislative Assembly Act, and this amendment is proposed limiting the effect of that section. The hon. Attorney General (Mr. Porter) has introduced this Bill into the House, but we have no particularly settled views in connection with it and, therefore, we would be very glad to have the views of the hon. members in connection with it.

Section 8 of the Assembly Act provides, "That no person accepting or holding any office, commission, or employment in the service of the

the Government of Canada or the
Government of Ontario at the
nomination of the Crown" ---

and so forth.

--- may hold a seat."

This is the way the matter came up -- I found out afterwards it had been cured by legislation -- it was in connection with the member for East York (Mr. Beckett) sitting on the Committee relating to the Provincial-Municipal affairs. However, I found that had been corrected in 1951. As a matter of fact, he has received no payment or anything of that sort, but it was requested that he sit on that committee, and I am advised by the hon. Attorney General's Department there is authority for that.

In this House we are getting more and more into the days of committees. I think that is apparent. I anticipate there will be six special select committees of this House sitting this year. Membership of some of them has not been settled yet, but will be shortly.

A number of hon. members of this House will be sitting on some committee during the recess of the House, between sessions.

Here is the problem: We have, I believe, special set legislation permitting hon. members of the House to sit on the Niagara Parks Commission. It has been there for years. That also applies to the Niagara Bridge Commission, Liquor Control Board, the Hydro Electric Power Commission, The hon. member for Niagara Falls (Mr. Houck) will no doubt recollect that one member of the House were sitting on the last-named Commission, one member from this House, and hon. Albert Smith from Kitchener.

Exceptions have been made from time to time until we have reached the stage we do not know on which committee, a member is able to sit. Thus our proposal is: A member of the House is not disqualified from sitting on any Commission, Board, Committee or other body holding office at the nomination of the Lieutenant-Governor-in-Council, but this clause does not apply to members of the Ontario Labour Relations Board, the Liquor Licence Board, the Ontario Municipal Board or the Workmen's Compensation Board.

I think it would be unreasonable to propose that a member of this House should sit

on the Labour Relations Board, the Liquor Licence Board, the Municipal Board, or the Workmen's Compensation Board, but regarding all the other commissions, boards or committees, I do not see any reason why any member of this House should not sit.

This provision I believe is as old as the Province, and has been qualified and qualified until now it is difficult to tell on which Board, Committee, etc. a member is able to sit.

You must remember this section was passed at a time when present conditions would not apply at all. You would not have, for instance, private members in the old days, helping to guide through government legislation as in the case of Bill No. 80. This is 1953, this is a different day and I must admit I do not see any reason why, if members are nominated by the Lieutenant-Governor-in-Council, why they should not sit on all these committees other than perhaps the ones which now occupy the greater field, those which are specified by a particular statute.

The principle has been long recognized.

It goes back into the days of Hydro when the first recognition took place, until now we find that members are entitled and enabled to sit on a great variety of commissions by particular statutes.

If it is all right for them to sit on some of them, why not all of them? The hon. members of the House, as now constituted, have great ability and I do not see any reason why we should not use **that** ability.

MR. OLIVER: There is no conflict presently with the legislation so far as the committees of the House are concerned.

HON. MR. FROST: No, there is not, but we are using select committees to an extent generally not used before. This year there will be six select committees, but I can remember many years when in this House there would not be a select committee on any subject. However, we are anticipating six select committees of this House to sit between sessions, studying problems and bringing in their solutions and recommendations.

The matter arose during the course of the Ontario Municipal-Provincial Committee.

There are some municipal people sitting on it, the member for York West (Mr. Brandon) was appointed to that committee before he was a member of this House. As a matter of fact, he has never received anything in the way of expenses, etc. from that committee. Why should a member of this House be disqualified when he can render useful service? After all, it is the results which count.

I think a provision such as this is antiquated. There are other disabilities in the statute. A member of this House -- and I point this out to all members as I have done before -- cannot contract with the Government. That is sufficient to void his right to sit here. : . He cannot do business with the Government which I agree is a very good principle. That principle nowadays is being widely disregarded in municipal circles. Perhaps some day some members of Municipal Councils will find they have been unseated by doing business with Municipalities.

That arose largely in the relief days when purchases were made for groceries, etc.,

from members, and it was felt those serving on Municipal Councils should still be entitled to their share of the business.

That is not legal, in my opinion, and some day there may be members who will find themselves in difficulty. Those provisions are in the Act. I believe they are good provisions, but in this year of 1953 there are some provisions with relation to services whether they are appointed by the Government or by the House, which ought not to be a disqualification.

However we have no particularly settled views on the matter, but it seems to me in studying the question, the situation was so fantastic and had become such a patchwork system that one did not know on which Committee or Board a member might serve and not be disqualified. We should put the emphasis the opposite way, to permit members to sit on boards and committees upon which they are appointed by the Government, but make specific exceptions.

I think it would be arguable whether a member of this House should sit on the

Labour Relations Board or the Workmen's Compensation Board or other boards which may be suggested by the members. That in essence is the purpose of this amendment.

(Take B follows)

MR. SALSBERG: I would like to ask the hon. Prime Minister whether this legislation will in any way affect the appointment of a Chairman for the Metropolitan Council.

HON. MR. FROST: No, not at all. That has not entered into the picture; it is not our intention. I have never thought of such a thing. As a matter of fact, until the legislation is passed the Government is giving no consideration to the matter of a Chairman, but in any event, I can assure the House that it never was the intention at any time, and is not now, to appoint an hon. member of the Legislature. If that were our intention, the hon. member for St. Andrew (Mr. Salsberg) would, of course, be in the running.

LAW SOCIETY ACT

HON. DANA PORTER (Attorney General) moved first reading of Bill intituled, "An Act to amend the Law Society Act."

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, in explaining the principle involved in this Bill, I wish to say that this Bill authorizes a new departure contemplated by the Law Society of Upper Canada, which is one

of a series of steps the Society has taken over the years to fulfill its responsibilities, not only to the profession itself but to the public at large.

I spoke last night about certain aspects of the undertakings of that Society in the matter of legal education. The Society, ever since lawyers practised in this province, has been responsible for education, and they have discharged that duty over the years and have discharged it in the best interests, as they saw it, of the profession and for the protection of the public.

We are all aware that the Law Society has always exercised discipline over its members who may indulge in certain practices which are against the public interest. The Society has managed itself in that respect, and the Society has not only provided for education of those who wish to enter the Society, at no cost to the taxpayer, but they have also carried on the disciplining of their members entirely within itself, and, on the whole, in a very satisfactory manner.

It was only two years ago that a very far-reaching Bill was introduced into this House, an amendment to The Law Society Act, to provide for a fund for persons who were unable to pay the costs

of legal services. This was another evidence of the viewpoint of this Society with respect to their public responsibility, and that has been in operation ever since. Many people throughout this province, in the various towns and cities, who formerly were unable to get legal advice because they could not pay for it unless lawyers did it for them without charge, now receive legal aid. I can assure hon. members that although some who are not lawyers in this House may be of ^{opinion} that lawyers think only of their fees. They have many unpaid bills. The same applies to the medical profession, and the hon. Minister of Health (Mr. Phillips) will confirm that. He says he never sued for a bill in his life. Neither did I and never will I, because if they do not pay me, I shall go and get another client somehow or other.

A great deal of the practice of lawyers is in the interests of clients whom they know cannot afford to pay them, and very often they spend just as much time as though it were someone who is able to pay. That Bill was introduced to provide for a system to deal with this problem, and it is financed by the lawyers themselves ^{using} without a cent of the taxpayers' money.

I explained last evening that this is

carried on entirely by the profession itself, in the interests of the public on the principle that every person is entitled to a defence in the courts, every person is entitled to advice of a legal nature, and guidance in business affairs, which they may have whether they can pay for it or not. That was a great advance, and a great evidence of the responsible position . . . the Society has taken.

This Bill today introduces a new step. It is a matter which has been under debate for some time within the ranks of the legal profession itself. This Bill authorizes the Law Society of Upper Canada to establish a fund to be made up of annual levies on every lawyer practising, or employed, in Ontario, from which grants may be made to reimburse, in whole or in part, persons who suffer loss in consequence of the dishonesty of any Ontario lawyer.

I might say this fund is not supplemented in any way from any taxpayer's pocket; there is not a cent of taxpayer's money goes into this fund. This is a fund which will be built up by an addition to the annual fee which will be paid by every lawyer, and it will be administered by the Law Society to apply to cases where members of

the legal profession have been a little too over-reaching or dishonest in the dealings of their clients.

Lawyers, I suppose, are no better or no worse than any other group of people in the community, and we have in every society, in every group of men -- no matter what the profession or trade may be, or what group of men -- there are those who may be a little over-reaching and who may take advantage of the superior knowledge they have along some line to do harm to some people, towards whom they are in a position of trust. Lawyers very often handle trust funds for clients, and there have been occasions when clients have suffered as a result of some dishonesty on the part of a lawyer.

There are not a great many of these cases but as we all know, one or two defaults bring the reputation of the Society as a whole into disrepute, and when you consider there are somewhere between five thousand and six thousand lawyers practising in the province, scattered all over this province, the few cases of this kind which occur are very great evidence of the high principles followed by the legal profession in general.

The legal profession feel -- in view, not only of the fact that there are some defaulting members from time to time which brings dis-repute upon us all, -- that in view of the fact it is a Society which is responsible to the public, it is the duty of that Society to make provision for the occasional case of that kind which arises. Therefore, this Bill provides for that fund.

In view of the record of this Society, men who have done so much for the liberties of the individual in this country, who have done so much for the protection of the people who have been charged with crimes, for the protection of all people to see that they are not unjustly punished for crimes they did not commit, men who have at all times made great contributions towards public service in all its branches, and, very often, without any compensation at all, . . . in introducing this Bill I take very great pride in being honoured by the opportunity of introducing the Law Society Amendment Act of 1953.

MR. SPEAKER: Orders of the Day.

CLERK OF THE HOUSE: First Order, resuming the adjourned debate on the amendment to the motion

that Mr. Speaker do now leave the Chair, and that the House resolve itself into Committee of Supply.

MR. A. CHARTRAND (Ottawa East): Mr. Speaker, at the outset of my remarks I wish to tender you my felicitations on your display of impartiality and your devotion to the duties of your high office. May I also avail myself of this occasion to offer my congratulations to the hon. members of the House who have attained cabinet rank since the last Session. I wish also to associate myself with previous speakers in voicing my appreciation of the worthwhile contributions made by the mover and seconder of the Address in Reply to the Speech from the Throne. I hope their suggestions will meet with due success. May I also congratulate all previous speakers who have offered contributions to the deliberations of this House.

We have now reached the stage where a critical examination of the estimates of revenues and expenditures, as disclosed by the Budget, are within the scope of the Orders of the Day. In other words, we are to examine the prosaic monetary policy of the Government of this Province.

I once heard it said that the only virtue

of money lies in its convertibility. People or nations of great wealth and affluence are blessed with what has been rightly called hard currency, whose virtue and convertibility is revered and honoured the world over, due to its gold coverage. Conversely, depreciated currency seems to have very little virtue or convertibility and people afflicted with soft money are often reminded that it is not worth the paper it is printed on, despite the many fine drawings and the many fine endorsements on the face of it. Lastly, there is the kind of currency of restricted virtue or convertibility which obtains only for a given locality, a given period of time, or a special occasion.

It would seem our currency belongs to the first group, and our hon. Provincial Treasurer (Mr. Frost) would appear to be so fascinated by the gold coverage of our money that he cannot refrain from increasing taxation in each succeeding year. Last year provincial taxation is estimated to amount to \$314,154,504.24; this year it will be \$334,733,000, and in all expectation it will be exceeded next year.

As a matter of fact, Canadian people are heavily taxed at all levels of our three forms

of government. True enough, people are demanding all kinds of services which must be paid for, but at the same time they are very critical as to the sources of taxation and as to priority rights in the matter of expenditures.

Personally, I am satisfied that the tremendous amounts levied by the Federal Government are justified under the circumstances of the armament race. On several occasions in the past, I have made known my views as to the financial plight of our municipal institutions and the need to broaden their basis of taxation or else relieve them from some of their financial burden. I do not wish to elaborate on this subject further on this occasion. I do not intend either to ramble about the many items contained in the provincial Budget, but I wish to confine my remarks to the paramount cause of education and underline the inadequacy of our provincial contribution toward that end, which should be measured as against the time, the place and the occasion now at hand.

No one can deny that we are confronted with big problems in education today, not only in this province, but throughout this country. In fact, Mr. Speaker, it can be said that

"problems" is too mild a term to use in speaking of educational matters. One Toronto newspaper recently said that Canadians in the days that lie ahead will be concerned not with the three R's of education, but with the three C's -- Crisis, Controversy and Confusion. I note, too, that Maclean's Magazine in its March 1st issue published the first of three articles entitled "The Crisis in Education", and the author, after four months of talking to teachers, taxpayers and school officials all across Canada, says the Toronto newspaper's observation is no overstatement. "I can report," he says, "to use the words of one teacher, that 'we are resting in the momentary calm at the heart of an educational hurricane'."

It is not my intention to quote at any length from this initial article in Maclean's. Perhaps many hon. members have already read it. But I may have occasion, Mr. Speaker, to refer to two or three statements which it contains later on. I want to deal for the moment with some statements made by the hon. Minister of Education (Mr. Dunlop) at the Ontario Agricultural Association meeting some weeks ago. According to the Toronto Star's report of that meeting,

the hon. Minister of Education announced himself a proponent of the one-room country school house. "It has produced some of the greatest thinkers of other generations, and it will do so in this generation," the hon. Minister is quoted by the Star.

I think we can all agree more or less with the hon. Minister on that point. We can also agree with him when he attacks "progressive educationists" and people who want to take hard work and competition out of the schools. I am confident we can support his contention that "you get the best in education when you give your children a chance to study and think and a teacher who can supply reasonable guidance and help."

I am glad the hon. Minister stressed the point about a teacher who can supply reasonable guidance and help, for if there is anything in our educational system which is of paramount importance, it is teachers who can guide and help the student. I regret to say, though, Mr. Speaker, that this major factor in our educational system appears to have been lost sight of in the confusion of educational costs and expenditures for more school accommodation. We have allowed

ourselves to be dazzled by fantastic school building programs. We have been too intent on considering the frame rather than the fundamentals of our educational picture. We have followed a policy of spending millions on new school buildings while lowering the standards of education.

(C-1 follows)

The Financial Post, in its issue of February 28th last, says editorially:

"What many people would like a good answer to is this: what kind of education are we getting for all this money? Is all this vast machinery producing people of strength of character to meet maturely life's problems, people with capacity for true personal happiness? Is it producing people who wisely select their political and community leaders? The more questions one asks about the kind of education we are getting for our money, the more alarming the answers become."

That is what the Financial Post has to say in part in its editorial entitled, "What Kind of Education?"

I think those are questions which we should ask the hon. Minister of Education. It is all very well for him to say, you get the best in education when you give children a chance to study, and think, and a teacher who can supply reasonable guidance or help." That is a fine sentiment, with which we can all agree, but it is not the policy which is being carried out by the present Administration in this province. You cannot lower the standards of education and expect to produce generations of students who will favourably compare with those

of past generations, as the hon. Minister expects. If such great men and women are developed, it will be in spite of our system of education. I submit, Mr. Speaker, that under our present standards of education, shortage of teachers, overcrowding in our schools, etc., we are not getting our money's worth, and we are going to be painfully aware of this fact in the days which lie ahead, if we do not do something about it now.

I do not know how the hon. Minister of Education can reconcile his espousal of the one-room school with the facts as disclosed in the report of his Department for 1950. In the elementary education section of that report, we find the following information under the heading "Temporary Closing":

"The closing of one-room schools with low enrolment has been encouraged in the interests of economy, efficiency and the social development of the child by association with other children of his own age. As the result of voluntary action by the school boards concerned, thirty-nine small schools were closed in 1950. Twenty-six of these schools were in township areas."

And under a similar heading in the latest report, we find that thirty-seven schools were closed in 1951,

ten schools previously closed were reopened, but at present there are 721 closed schools in the province.

To me, Mr. Speaker, this would indicate that while the hon. Minister is busy proclaiming the advantages of the one-room school, his Department is busily engaged in closing as many of them as possible. I must admit I am somewhat astonished at the reasons given in this report for the closing of these one-room schools -- "economy, efficiency and the social development of the child". If the Department recognizes these things as prime factors in our educational system, then it cannot help but admit, that our standards of education are being sadly lowered. I would think economy, and efficiency would be better applied in regard to building of schools and their administration. As for social development, if our standards of education are on a proper level, the social development of the child will follow naturally.

Let us look again at the 1951 report just issued. Under the heading "The Supply of Teachers," we learn this:

"As the increase in enrolment in the elementary schools of the province in September, 1951, was 38,675, it was necessary to grant

letters of permission for Boards to engage 469 persons who had no teacher-training experience. During the same period 521 letters of permission were issued for Boards to engage teachers who at some time completed a teacher-training course."

That makes a total of 990 persons, nearly half of whom had no teacher-training at all, Mr. Speaker, who were placed in charge of the instruction of apparently thousands of children in our elementary schools. The previous year 867 persons, of which 443 had no qualifications for teaching at all, were granted teachers' certificates. So, in those two years, a total of 1,857 persons of little or no teacher-training or experience were employed to give guidance and instruction to thousands of young Canadians in their most formative and impressionable stages.

I submit, Mr. Speaker, what possible chance have we . . . of maintaining high standards of education under such circumstances? These 1,857 unqualified teachers were added to similar numbers of such teachers who were given teaching permits in previous years.

We may well ask: What is the situation today? Is it getting better or getting worse?

All the indications show that it is getting rapidly worse. The author of the article in Maclean's Magazine says that today Canada is short some 11,000 teachers and that by 1955 the shortage will exceed 25,000. An editorial in The Toronto Star of March 5th last, comments as follows:

"The teacher shortage constitutes a serious threat to the public school system. The Dominion Bureau of Statistics has estimated that 45,000 new teachers will be required by 1954 (in Canada) to handle the influx of pupils. Yet there are fewer teachers in training now than in previous years. Ten years from now there will be twice as many students ready to enroll in secondary schools and more schools as well as more qualified teachers will be needed. But the profession is not attracting enough ambitious men and women. Officials of teachers' organizations have blamed it on inadequate salary levels, poor working conditions and lower social prestige of teachers in most communities."

As recently as last month the hon. Minister of Education (Mr. Dunlop) in addressing the members of the Ontario Agricultural Association, said this province needs from 1,000 to 1,200 more teachers every year, so he must be well aware of the situation. But what is being done about it?
---Mr. Robson in the Chair.

A few days ago in this House the hon. Minister announced that the name "Normal School" is to be dropped and thereafter they are to be known as "Teachers' Colleges." I suppose that is some part of the plan to attract more teachers, but how a change in name can accomplish anything in that respect is beyond me. I imagine from the student's standpoint, it might be more high-sounding to say he was attending a Teachers' College instead of a Normal School, but it is difficult to believe that any higher social prestige is gained, or that it would serve to influence larger numbers of students to enroll.

I understand another step taken by the Department of Education to help overcome the teacher shortage is a change of policy, effective July 1st next, in the granting of permanent certificates and the upgrading of certificates which are valid in elementary schools.

Commenting on this new policy, Dr. H. Bowers, principal of the Stratford Normal School, is quoted in the Stratford Beacon-Herald of January 19th last, as saying:

"It will relieve teachers of the heavy load of summer courses formerly necessary for obtaining permanent certificates. One

effect of this change might well be a greater enrolment in provincial normal schools next September. Although the new policy is a lowering of the standards required for teachers, I feel satisfied that many teachers who are professionally keen will take a number of summer courses voluntarily."

There, again, we have the lowering of our educational standards. In the past one needed at least eight senior matriculation subjects to enroll at an Ontario normal school; now, you need only five. Graduation from the normal school is just about as easy as admission. The author of the article in MacLean's Magazine was told by an official of an eastern normal school: "I can count on the fingers of one hand the number of students I have flunked in the last five years."

Applicants without complete matriculation in Ontario have to take a two-year course in the future, I understand, to get an elementary school teacher's certificate, but even this is not enough, according to many educators. Maclean's Magazine says:

"Our normal schools, or teachers' colleges, if you prefer, might do a better job if provincial departments of education were more imaginative. Like the medical-training school, the teacher-training school should be staffed

by men of high calibre and broad experience; it should be a centre of research and a clearing house for new ideas. Staff members should be encouraged to broaden their educational insight by opportunities to study and travel. Their salaries should be among the highest in the teaching profession. These favourable conditions seldom exist."

I submit, Mr. Speaker, the policy that is being pursued in our educational system in Ontario today is not only leading to crisis, controversy and confusion, but eventually to chaos. We cannot expect to get value for the tremendous sums spent on education under any policy that lowers educational standards and qualifications of our teachers. We are not being fair to our children or to those who follow the teaching profession by adopting such a policy.

The reason we have a teacher shortage is because the profession is not attracting enough ambitious men and women, as the Toronto Star editorial states. And the reason they are not being attracted boils down to one thing: we are not paying our teachers enough to make it worthwhile for ambitious men and women to enter the profession. That, I submit, is the whole crux of the present situation.

During 1951-52, according to the report of the hon. Minister of Education, the average amount for all male whole-time teachers' salaries, including Principals, in all public schools in Ontario, was \$3,152 a year. Female teachers averaged \$2,599, which is little more than the new pay scale for office boys which the John Inglis Company in Toronto announced some days ago. Teachers' salaries -- and that means full-time teachers only -- in our secondary schools averaged \$3,823 per year. Less than 100 teachers out of a total of 5,594 are getting over \$5,000 per year.

I know some increases have been granted since this report was issued, but they have been far from adequate. Ontario School Trustees' and Ratepayers' Associations have been passing resolutions for increased provincial grants to rural and urban municipalities to help meet rising costs of education, and all are agreed that higher teachers' salaries must be a first consideration.

At the Middlesex School Trustees' and Ratepayers' Association meeting held in London late in January this year, Mrs. A. R. Moore, of Stratford, first woman president of the Association,

said higher salaries for teachers had "almost become a must" to meet the teacher shortage in Ontario schools. "The teacher in the room is more important than the room itself," Mrs. Moore said. She also advocated a single-salary schedule for Ontario teachers who have the same qualifications and experience, in order to "iron out inequalities."

Education is primarily the responsibility of the province and it is time the province accepted its full responsibility. It should not be trying to pass off some of this responsibility to Ottawa, as so many educators are endeavouring to do.

As the Financial Post said recently:

"This is a convenient line, but are the provinces going to accept the strings which Ottawa most assuredly tie to any extensive system of federal aid? If Ottawa puts up the money, it should assure itself of some say in how the money is to be spent. Quebec, by turning down Dominion grants for university scholarships, has shown that it will not go for that. Should Newfoundland or Ontario or any other province hand over the final authority to Ottawa? Has Ottawa got enough to do now and enough things to pay for, or should this country come to the position that all Canadians should be educated alike, and on the same standard?"

The hon. Minister of Education (Mr. Dunlop)

has clearly stated what he thinks about the frills and fads in school building. His Department has announced it will pay capital grants for school construction only on ordinary class-rooms and essential administrative and service areas. Gymnasiums, art, music, library rooms, swimming pools and elaborate auditoriums will not be paid for by the Province. If they want them, the local school boards will have to provide the funds for them.

In forcing economies on the school boards, the Department naturally hopes to effect substantial savings to the province in grants for school construction purposes. But I submit, Mr. Speaker, that in view of the serious situation in teacher shortages and teacher training, the province should apply any such savings to a plan for raising teachers' salaries. I maintain this Department must produce such a plan and quickly before the teacher situation gets out of hand, as it already appears to be giving every indication of doing.

The municipalities and their school boards are overburdened with expenditures for education now and any effective plan to brighten the present dark outlook in teacher training and

teacher supply must of necessity come from the provincial government. In all fairness to our children, in all fairness to the many fine teachers who are labouring under severe handicaps to give them the education they are entitled to, in all fairness to the high standards of education that this province has set itself in the past, let us depart from slipshod methods of dealing with the educational problem. Let us raise our standards of education instead of lowering them; let us improve our teaching standards and pay our teachers enough to raise them above the level of baby sitters or office boys. If ever there was a time in the history of this province when a sound, concrete, comprehensive, progressive educational program was needed, the time is now. Let us have done with experiment and get back to uniformity.

Mr. Speaker, it has been properly said that education is everybody's business. So let us make up our minds once and for all that the business of this Legislature, and of the people of Ontario as a whole, is to provide the best possible educational training for our rising generation. Let us make up our minds to assume whatever financial burden may be necessary in

order to secure the best trained teachers in this banner Province of Canada. Some day, something will have to be done along that line. Why not do something now? Let us be brave as lions and not timid or weak as lambs when it comes to taxation for the purpose of shaping the destiny of our greatest resource, namely the human element which will assert its rightful place alongside us all in the very near future.

I once heard it said that a good education with staunch moral fibres was the greatest asset and the greatest possession a person could have, for the reason that once acquired nobody could take it away from him. Conversely, we used to think of land and real property as the highest form of wealth, but with the coming of the atomic age, nuclear energy and the communist way of thinking and of living, we may well classify them now as perishable goods.

If it is our greatest desire to leave a great inheritance with real property value to the coming generation, I would suggest our line of advance is through higher standards of education, by way of better-paid teachers who will regain their human dignity and a corresponding incentive to the discharge of their many professional

duties. By so doing we shall not only discharge our duties as to priority rights to the greatest human resources in the possession of this Province of ours, but in addition we shall acquire and deserve the everlasting gratitude of the younger generation. Such is my dearest hope, and may God and this Government see to its fulfilment in the near future.

---Mr. Speaker in the Chair.

MR. E. P. MORNINGSTAR (Welland): Mr. Speaker, on rising to take part in the Budget Debate, I want to congratulate the hon. Prime Minister (Mr. Frost) for his excellent presentation of the Budget.

.. The public business of the Province of Ontario presents itself as an enterprise of very great magnitude, and the hon. Prime Minister has always displayed a real grasp of the many intricate problems of the day. I know we shall all be keenly interested in the future observations of hon. members in this debate, and the presentation of the various estimates.

It is my privilege to represent a labour constituency. As a matter of fact, all of us here represent labour ridings, for we live in a vigorous, rapidly developing province with a vastly expanding economy. We have not a great leisure class, as is the case in many older lands. Most of us are too busy making use, according to our several abilities and degrees of energy and opportunity, of the chance to provide for ourselves and our dependents, out of the bounty which surrounds us.

However, as most hon. members know, Welland is adjacent to some of the world's greatest hydro-electric developments. Hence

industry has flocked to this favoured area.

We have numerous industries; we have diversified farming, which includes general farming, fruit and vegetable growing. Some of the developments during 1952-53 are as follows:

At Port Colborne, the Canadian Furnace Company is spending a million and a half dollars to double its capacity; the Robin Hood Flour Mill has been at work on a half-million dollar expansion program; International Nickel have spent half a million dollars on expansion; Stokes Division of the General Tire and Rubber Company of Canada are expanding to the sum of one million dollars.

The \$12 million Stainless Steel program at Atlas is aimed at making Canada self-sufficient in sheet stainless. Canada has to go to the United States for practically all the sheet stainless it needs. Page-Hersey Tubes, of course, winds out thousands of miles of pipe to serve the Canadian oil line development and the ferro-alloys that come from the Electro-Metallurgical Company, along with their carbon electrode output, which is vital at home and in Europe in the cause of freedom.

Welland has a customs airport, greatly

facilitating commercial activities, and Port Colborne recently became a port of registry. It will be a banner year in the County of Welland, with completion of the \$600,000 addition to the County Buildings and the centenary of the Welland County Fair.

Mr. Speaker, some of the developments which have taken place within the last year in my riding are, I am sure, in anticipation of the expected abundance of hydro-electric energy which will be available, and I take this opportunity of congratulating this Government and the hon. Minister and Vice-Chairman of the Hydro Commission (Mr. Challies) on their interest in the development of the greatest publicly-owned utility in the world, our Hydro Electric Power Plant at Niagara Falls.

Already the pattern of things to come for municipalities along the canal has been the docking in Welland for the first time, in 1952, of ships of the Manchester Line, to pick up cargo for Europe, and present marked development in the area will undoubtedly be dwarfed by the activity which will occur industrially and commercially when the St. Lawrence waterway is completed. So there are very evident

reasons why the Governments at Queen's Park and Ottawa should look to Welland Riding as an ever-increasing commercial and industrial mainstay of the Great Dominion.

The people of my riding believe in putting their money into circulation, not only for their own welfare, but for the improvement of the riding and the Province as a whole. During the year 1952, in the Welland-Crowland area, the average family spent \$1,615 on automobiles and automobile parts. When I tell you that the average per family for the Province of Ontario was \$485, the importance of this figure will be better understood. In the Welland-Crowland area last year total retail business amounted to \$31 million, an increase of \$4 million over 1951. It would be safe to say that one thousand new homes were built in my riding last year, and, at least, six new churches and as many new schools, which indicates that these new homeowners are anxious to have the best in education and religious training.

We have some major problems in Welland County, and one of these is traffic. We are the bottleneck, as it were, for tourists entering Canada from the United States over two bridges.

We want them to come but we have a serious problem in their crossing over the Welland Ship Canal, which cuts through the centre of the county. The worst traffic tie-ups are in Welland, due to men who work in industry adding to the tourist traffic. We have been working for a West Side Canal road, where traffic can branch out after crossing three bridges in the vicinity. The two Governments have realized their responsibility, and we hope satisfactory financial arrangements can be completed so that this situation will be relieved.

Industry will always tend toward those areas with cheap, dependable and abundant supply of power, good transportation facilities and a capable labour force. All these factors we possess. As a result, our community is very largely composed of men, and women as well, who find employment and a steady means of livelihood in our factories and their offices. In the main, our working men and women are organized. They are able, through collective bargaining agreements, to strengthen their position, to acquire better working conditions and also to benefit from what have come to be termed "fringe benefits" which now feature most collective bargaining agreements. It is to me a real

privilege to represent a workingman's riding for I am a workingman myself. I know at first hand something of the workingman's hopes and ambitions and problems. Along with scores of thousands of my fellows, I believe I know when we are getting good government. That, in my opinion, is just what we are getting under this present Administration. Perhaps I might instance just a few items in the record of the Government to prove my point where the workingman is concerned.

Laws relating to working conditions must be framed with great care. They must be based on realism. In very many lines of products we are in competition with countries where wages and working conditions are not as good as we have here. We can, and we do, strive for the ideal in our laws and our regulations, but we are not altogether free agents. In a word, we must keep our costs in line with those of our competitors. This is something the workingman knows just as well as the trained economist.

However, a few years ago, we enacted the Hours of Work and Vacations With Pay legislation. This legislation has worked out very well. It effectively prevents the exploitation of working

men and women against unduly long hours of work. It is worth noting that many employers, through a collective bargaining agreement or otherwise, have reduced the work week considerably below the maximum imposed by the legislation I have mentioned. And again, the five-day week would appear to be on the way toward something approaching universal acceptance. I have no doubt the example set by the Administration in limiting hours of work has had considerable influence in this direction.

(D-1 follows)

Then we have vacations with pay provided by statute. This includes the stamp credit system. This latter procedure is a much bigger thing than it appeared to be when enacted a few years ago. It originally applied to workers in the construction industry. Then it was amended to apply to workers in any industry where they move around from one job to another. First, it involves payment by the employer into the fund of two percent. of his payroll. In the construction industry, by collective bargaining, there is on occasion a four percent. deduction. The basic idea is to give the transient employee, yearly, a sufficient sum in cash to enable him to take a brief vacation. And believe me when I say every man and woman and child benefits from a vacation, preferably with a change of scene and environment.

Mr. Speaker, and hon. members, back in 1945, about \$377,000 was paid to workers in this connection. Next year the amount was nearly \$1 million. In 1950, it was about \$5,600,000. I believe that this year it is likely to run close to \$9 million. Now here is a very real contribution that is really appreciated by our working men and women. I believe our example here is

being copied by Quebec and Manitoba.

Then I might mention our anti-discrimination legislation of a couple of years ago. I believe Saskatchewan is doing something along similar lines. It took governments a long time to get around to it, but after all, I think we are now fairly well agreed that no man or woman should be handicapped because of the colour of his or her skin, or because of racial origin or again because of religious belief. Actually, we should not need to legislate on a subject like this. The dictates of common, Christian humanity should be a sufficient guide. However, we do have to legislate because there are still some folks who do not otherwise see fit to recognize the simple elements which are involved. In this province, we have people representing many races, and many religious beliefs. I think this legislation is bound to help in making us better Canadians. After all, this is what we should aim to be.

I just mention in passing, our legislation to permit women to serve on juries. They are just now beginning to appear on these bodies which are such an important factor in our judicial system. They will do just as good a job there as they do in factory, home, school and office. I hope that

as time goes on we shall see more women in our public life. Perhaps it is their natural modesty which prevents more of them from seeking public office. I know it is not any lack of ability.

Then we have our legislation requiring equal pay for equal work. The principle here is so elementary that it is a wonder such legislation was not passed long ago. However, as always, it was a Progressive Conservative Government which saw the justice of the principle and proceeded to do something about it.

Here, I should like to congratulate the hon. Minister of Labour (Mr. Daley), his Deputy Minister and his Conciliation Officers on the excellent work they have all done during the past year. It is no easy nor pleasant task, to sit down with an employer on the one hand, and labour officials burning a bit with a sense of wrong and injustice on the other. Yet many times the hon. Minister and his officials have stepped into the troubled field of labour disputes, and, as all of you know, with a great deal of success. In some of these disputes, it was mostly employer versus employee; in other words, there was no great community nor provincial interest involved, even though matters were of great importance to the

parties immediately concerned. But in other instances, the public welfare was a matter of deepest concern. I need only mention the Ford strike, actually involving the whole Windsor area. Again, I might mention the threatened Consumers' Gas strike. In these, as in many other instances, I say that the hon. Minister of Labour and his staff performed public service of the highest order. They proved themselves good and capable friends of employer, employee and the whole body of the public. But it is not only in this field that our Department of Labour has proved its value.

As most of you know, plans for new construction, additions, and renovations as related to factory premises must have departmental approval. But new factories do not come into being unless the whole scene has the approval of the people who furnish the money to build them. It is fairly obvious that our manufacturers approve Ontario as a site for their operations -- as to power -- as to transportation -- marketing facilities -- raw materials -- and labour forces. In 1942, new construction related to factories was valued at about \$35 million. For 1951, the investment reached the imposing sum of about \$118 million. To me, this means a lot for Ontario and for Ontario's future.

Again, we have strengthened and improved the system of factory and office inspection. There is, I think, no part of Canada where more or better steps are taken to protect the welfare of our work force.

Then we turn to the Workmen's Compensation Board. Right here, let me congratulate the hon. Minister of Public Works (Mr. Griesinger) and his worthy predecessor in that office (Mr. Thomas) for getting on with the job of providing new, spacious and publicly-owned quarters for the Board in a splendid and convenient location near Toronto's imposing waterfront. This great organization has been too long a tenant in overcrowded, rented quarters. It was a Conservative Government which founded this great Ontario institution back in 1915, in the days of Whitney. I am glad it was left to the vision of another Conservative Government to see the Board housed in quarters amply justified by the scope of its work.

Now, so far as I am aware, our Workmen's Compensation laws still stand as a world model. Here our legislation and administrative practices have been studied by representatives of governments and labour bodies from all over the world.

However, we have not hesitated to improve our legislation as circumstances indicated.

An early act of the Progressive Conservative Administration was to reduce the waiting period between time of disability and time of starting to allow compensation, from seven calendar days to five calendar days.

When we took office, the maximum pension for a disabled workman was limited to two-thirds of his earnings based on maximum yearly earnings of \$2,500 a year -- the maximum allowance working out at \$32.05 a week. The present Progressive Conservative Government raised the allowance, first to three-quarters of earnings figured on maximum yearly earnings of \$3,000 -- and later to three-quarters of earnings figured on allowable maximum of \$4,000 yearly. This latter works out at \$57.69 a week, tax free -- about the only thing in Canada that presently remains tax free.

There will be an upward adjustment respecting widows' pensions and children's allowances. This is all to the good. The Bill introduced during this session will assist greatly the new cases qualifying for benefits. I am concerned, however, with the cases which do not come under the new legislation, and will be ineligible for the higher

rates. The cost of living has greatly advanced, and people simply cannot live on the income granted by the Compensation Board in previous years, when people enjoyed a lower cost of living. I would like to see the Workmen's Compensation Board, make it possible for all beneficiaries of Workmen's Compensation, to receive allowances equal to provisions in the new legislation. In this manner we will be keeping abreast of the higher cost of living.

In 1946, provision was made for unlimited medical aid under the order of the Board for all employees. Railway and steamboat employees, as well as municipal employees come under Schedule II of the Act, which means that here the employees carry their own insurance, to use a familiar term. One objection of employees was that they were compelled to use the services of the "company doctor." This practice we abolished in 1946, so that these employees now engage the physician of their choice.

There are, unfortunately, -- always have been -- and always will be -- a good many fatal accidents in commerce and industry. In these cases there is now paid at once to the widow the lump sum of \$200 instead of \$100 as previously paid. Funeral expenses are now allowed at \$200 instead

of \$100 as formerly. Where \$125 was formerly allowed for transportation of a body within Ontario, the sum now allowed is not limited, whether death occurs within or outside Ontario. As most of you know, our laws permit Workmen's Compensation benefits to apply for six months after a workman leaves Ontario, so long as he is sent outside by his employer in the course of his employment.

The work at the Malton Clinic deserves more than passing mention. Here, normally, about 520 injured workmen are treated by physicians, nurses and therapists, with a view to bring them as nearly as possible back to health and strength. All sorts of treatments and appliances and machines are available. Nothing is left undone to enable the man to return to his occupation or to fit him for another and more suitable one. Actually, this is a pioneer effort, the only one of its kind and scope in America. Alberta is experimenting along similar lines in a very modest way and British Columbia runs an elementary clinic for outpatients only.

Back in 1943, about 18,000 employees came within the scope of the Act. Last year, about

47,000 employees were included under Schedule I and about 5,000 under Schedule II, a total of 52,000. Our enormous industrial expansion accounts for this increase only in part. There are now covered by the Act all government employees, school board employees, workers in hotels and restaurants and employees of office buildings, as well as Niagara Parks Commission employees and all municipal employees. I should also like to remark in particular that hospital employees are covered, also employees of taxi companies and bus lines.

And what, I ask could be more fair. In degree, all these workers are subject to hazards, some great, some less, The coverage afforded by the Workmen's Compensation Act and Regulations gives a very real and well deserved measure of security.

What is the rule about such cases as silicosis and hernia, the causes of so much disagreement and argument and even bitterness a few years ago? Well, there is not much argument today. Consider hernia, for example. Today, about 82 percent. of the claims in hernia cases are ruled allowable. The general rule is, I do not need to tell you, give the workman a "break". If

a mistake is made, let it be on the side of leniency,

I look forward to further amendments to our Workmen's Compensation laws. They are enacted by a Conservative Government. They will be broadened, enlarged and continually improved by Conservative Governments. And believe me when I say our working men and women know it. They know action speaks louder than words. And this is one reason they support us in such gratifying measure. Our working people do not and will not vote on the herd system. They vote -- they make up their minds -- as straight-thinking, understanding citizens of this country as is their right, and that is just what they will continue to do. Let the Government continue to do a good job as it is doing, let it deserve labour support as it does deserve it, and it will continue to receive that support as I am proud it is receiving at this present time.

(TAKE E FOLLOWS)

HON. W. E. HAMILTON (Minister without Portfolio): This afternoon I would like to bring to the attention of the hon. members some thoughts in connection with our overall economy.

The thoughts stem from a passage in the Speech from the Throne and a reference from the Budget Address which our Prime Minister and Provincial Treasurer delivered recently. In the Speech from the Throne, you will find this passage:

"The Ontario Provincial-Municipal Relations Committee is continuing its studies of Provincial-Municipal problems, and the Government (i.e. this Government) is hopeful that these studies will be co-ordinated in the work of another committee which it is hoped will be created by the Government of Canada to study the whole problem of Federal-Provincial Relationships, the duties of each level of Government under the Constitution and the financial means to enable the performance of these duties."

Well, Mr. Speaker, the fulfilment of that hope as expressed in that statement in the Speech from the Throne will be of untold value to all our citizens-- as I will try and develop in these remarks.

It is recognized that with the passage of the years the respective levels of Government --Federal, Provincial and Municipal-- have

assumed more and more responsibilities in the discharge of their functions.

An analysis of all the functions of the three levels of Government has been made and it sets up eleven distinct broad headings under which the functions are classified. The responsibility for discharging the function of each of the headings is shown to be either one or the other, or both, or all three of the levels of Government. These eleven main functions are as follows:

1. The responsibility for the Constitution
2. The responsibility for diplomatic representation
3. Defence
4. Personal and social - this is broken down into eight sub-headlines dealing with population, registration, education, health, protection -- being civil rights and justice -- recreation, regulations -- dealing with labour -- rehabilitation -- dealing with social security and welfare.
5. Natural resources.
6. Industrial and this is broken down into production both of a primary, intermediate and secondary nature
7. Commercial

8. Transportation
9. Communications
10. Professional
11. The responsibility for financial affairs

Those are the eleven broad headings of the functions which the three levels of Government discharge.

Now you will note the statement in the Speech from the ' Throne was as follows:

"To study the whole problem of Federal-Provincial fiscal Relationships, the Duties, etc., and the financial means to enable the performance of these duties."

It is because the subject matter deals with the fiscal relationships and the financial means that I felt I would like to speak on this subject in this Budget Debate.

The first point I want to make is one on which most thinking people in this country would agree -- whether they are farmers, or industrial workers, business men, manufacturers or retired individuals. The point is, the overall cost of Government at all three levels has reached a point beyond which it should not be allowed to increase, and steps should be immediately undertaken to find ways and means

to lessen the overall weight of the cost of Government at all levels.

Gross national product is the sum total of all end production of the economic system in a given year, including the value of consumer goods and capital goods.

CANADA
GROSS NATIONAL PRODUCT AND
 TOTAL TAXES FISCAL YEAR ENDED
 NEAREST TO DECEMBER 31.

(Thousands of Dollars)

<u>Year</u>	<u>Gross National Product</u>	<u>Taxes Total (1) (3) levels of gov't.</u>	<u>Total Taxes as a % of G.N.P.</u>
1939	5,707,000	915,133	16.04
1945	11,850,000	2,729,598	23.03
1949	16,462,000	3,306,088	20.08
1950	18,217,000	3,904,140	21.43
1951	21,448,000	4,761,539 (2)	22.20
1952	22,984,000	5,139,883 (2)	22.36

<u>Year</u>	<u>Taxes as a % of Total Taxes</u>		
	<u>Federal</u>	<u>Provincial</u>	<u>Municipal</u>
1939	51.17	18.82	30.01
1945	80.68	8.37	10.95
1949	70.27	16.63	13.10
1950	71.99	15.69	12.32
1951	76.82(2)	11.65(2)	11.53(2)
1952	78.02(2)	10.31(2)	11.67(2)

- (1) Includes Income and Corporation Taxes
Succession Duties
Real and Personal Property
Customs Duties and Other Import Taxes
Excise Duties and Sales Taxes
Other Taxes.
- (2) Preliminary and budget figures only
-- subject to correction.

At the outset we in Canada must recognize that for some years to come, we are going to have a permanent portion and a substantial portion of the Federal Budget allotted to defence. That is an expenditure we cannot escape.

There is a field though, where we can direct our thinking and that is in placing greater emphasis on improving the efficiency of all levels of Government. This will naturally produce a reduction in cost; which, in my opinion, can only be brought about by a greater co-ordination in the administrative operations. It will mean closer integration of the administrative units of government in the different areas of the Provinces and throughout Canada.

Now since it is recognized that Governments do not create wealth, but do perform services, it might be interesting if at this time we took a look at the change which has taken

place over the years in the amount of revenue available to the Government of this Province.

A few days ago I was reading in the Library the Budget Address of the Hon. W. G. Ross, Prime Minister and Treasurer of this Province which was given on March 8, 1900. I tried to get a picture of the trend and development of the last fifty years, because I am fifty years of age, and I was interested in what conditions were just prior to my birth.

1900

<u>Total Revenue</u>	<u>Subsidy</u>	<u>Sale of Assets</u>	<u>Revenue from Commerce</u>
\$4,096,494	\$1,500,000	\$1,093,000	\$217,000

Percentage 5 per cent.

<u>Fiscal year Ended</u>	<u>Gross Ordinary Revenue</u>	<u>Gross ordinary Revenue less public debt, interest Exchange, etc.</u>
Oct. 31, 1911	\$9,370,834	\$8,855,834
" 31, 1913	11,188,302	9,775,868
" 31, 1917	18,269,597	16,834,506
" 31, 1927	56,306,225	45,922,595
Mar. 31, 1938	99,838,596	90,299,010
" 31, 1941	114,593,485	104,933,792
" 31, 1948	200,005,024	193,547,907
" 31, 1952	314,154,504	305,720,143
" 1953	354,854,000	345,092,000

<u>Fiscal Year Ended</u>	<u>Corporations Tax (1)</u>	<u>Corporations Tax as a % of Gross Revenue Less Public Debt Interest</u>
Oct. 31, 1911	825,081	9.32
Oct. 31, 1913	878,160	8.98
Oct. 31, 1917	1,631,963	9.69
Oct. 31, 1927	2,478,519	5.40
Mar. 31, 1938	8,324,699	9.22
Mar. 31, 1941	21,771,759	20.75
Mar. 31, 1948	44,664,108	23.08
Mar. 31, 1952	94,115,142	30.78
1953	123,327,000	35.74

We have here an excellent illustration which shows that the general health of our economy depends to a very great extent on the economic activity in our Province and country, and because of this established fact I submit there should be a close working relationship between the three levels of Government and Industrial organizations. I have here a survey of production which shows the relative values of our various industries and I am using it to show the net value of the production of each of the main industries.

The tax on the Corporate profits of industry is of great importance to Governments.

ONTARIOSURVEY OF PRODUCTION

(Net Value of Production)

Industry	Value \$'000	% of Total	Value "000	% or Total	Increase
					In Net Value Since 1938 %
Agriculture	191,897	15.8	545,379	12.1	184.2
Forestry	19,352	1.6	79,659	1.8	311.6
Fisheries	2,851	0.2	6,252	0.1	119.3
Trapping	824	0.1	4,097	0.1	393.2
Mining	119,445	9.8	161,671	3.6	35.3
Electric Power	49,953	4.1	106,852	2.4	113.9
Manufacturing	757,621	62.4	3,068,142	68.0	305.0
Construction	73,037	6.0	535,250	11.9	632.8
Total:	1,214,980	100.0	4,507,302	100.0	271.0

Source: "Survey of Production", 1938-50, D.B.S. Ottawa.

MANUFACTURING INDUSTRY

Year	No. of Establishments (Thousands)	No of Employers (Thousands)	Gross Value of Production, (Millions of Dollars)	
			Current Dollars	Constant Dollars (1939)
1939	9.8	319	1,746	1,746
1946	11.4	498	3,755	2,722
1950	12.8	566	6,823	3,305
1951(1)	13.0	606	8,139	3,490

(1) Preliminary estimates

New Manufacturing Companies, 1946-51.

Item	No. of Companies Commencing Operations (1)	Employment at End of 1951
Ontario	504	32,953
Percent of Canadian total	32.9	43.7

(1) With 10 or more employees.

New Investment in Manufacturing
Industry

Year	New Investment in Manufacturing Industry (Millions of Dollars)	
	Current Dollars	Constant Dollars (1939)
1939	50	50
1947	253.4	176.8
1950	217.9	120.5
1951(1)	385.2	191.7
1952(1)	507.5	238.4

(1) Preliminary estimates.

Mr. Speaker, I submit that the general health of our economy depends to a very great extent on the economic activity of industry in this Province.

Investors had faith in Ontario's future and put their money into these new

plants creating new employment and bringing an additional tax potential to our Treasury. That is why I say we must bring industry into a closer liaison with Government. The bold fact that governments are already fifty per cent shareholders in the profits of industry is all the more reason why we should be interested in a balanced development through the co-ordinated efforts of industry and Government. The fact is that a healthy agriculture with its farm population forms an ideal background to this co-ordination. The gears of government, industry and agriculture should be meshing rather than running independently as they sometimes do.

In order to develop larger amounts of income from the same tax base or even on a smaller tax base, it is essential we have a clearer perspective and that demands efficiency in our operations.

In order to have that perspective we have to assemble facts, but these facts are useless unless they can be applied in administrative practice both present and future.

Now as everything in life is relative, these facts must be uniform and applicable in a way that a balanced development can be planned through the co-ordinated efforts of industry and Government. It would be a good thing for us to look at the steps which Ontario has already taken in this regard.

In 1947 the Bureau of Statistics and Research, a division of the Treasury, under Mr. Harold Chater, working in conjunction with the Department of Planning and Development under the hon. Mr. Porter, established the idea of an economic review of Ontario.

(Take F follows)

Mr. Chater was the first statistician in Canada, to give leadership to the idea of dividing the province into zones or regions whose economic behaviour could be determined by, let us say, a basic industry or by groups of industries responding to the same general conditions, and by gathering data on more or less common characteristics in each economic zone. He held, that by so doing, such a system would be helpful in the forecasting, and interpreting changing economic conditions, and dealing with current economic problems. He recognized the necessity to have adequate data, which would be of interest to governments, industry, trade, housing authorities, economists, sociologists, statisticians, and other associated with the Canadian economy, and so he set up Ontario into nineteen economic areas.

This data has now been assembled from many sources, and it is interesting to note that recently the first conference in Canada on economic statistics was called in Ottawa, in January of this year by the Rt. Hon. C. D. Howe. At this conference, Dr. E. P. Weeks, one of the outstanding research officials of the Federal Government, delivered an address on the need and advisability of establishing economic regions

or zones in the provinces and throughout Canada, the same as Ontario had already done.

In this field then, of statistics, intelligently applied, it may be stated that statistical data in addition to reflecting trends, should be compiled in a way that the facts can be used to remedy existing economic inequalities, i.e. low productivity, inadequate facilitating services, schools, hospitals, highways, housing, etc., congestion of population, etc.

It could be said, that if industry, which is the main cause of our rapid economic expansion, is not guided as to location and expansion, it will mean that the development of our wealth will be lopsided and uneven. This, in turn, puts a strain upon the facilitating services, i.e. schools, hospitals, highways, housing, etc.

I submit, Mr. Speaker, that through the joint effort of intergovernmental committees, information could be compiled which could be turned over and used by administrators in government and business, which would enable them to apply the data to intelligent use.

If, then, this is a function of government-- Federal, Provincial, and Municipal -- it is clear to my mind that the machinery has to be geared in

such a way that lost motion and expense can be eventually reduced.

In addition to the establishment in Ontario in 1947 of that Bureau, there was established prior to that date, the Department of Planning and Development, over which the hon. minister (Mr. Warrender) presides. They have done a remarkable job, especially in the section of trade and industry. Last year alone, that section, headed by Col. Lyle, an outstanding official, brought into Ontario, 125 new plants, with a capital investment of \$507 million. That is a tremendous achievement, Mr. Speaker.

In addition to the Department of Planning and Development, there is the Industrial Research Services branch under Col. MacRae, who is giving inspired leadership, and real team play is being demonstrated between that branch and industry. At the present time that branch is working with over 6,500 industries in this province, servicing them in one way or another, and there are listed over 8,700 industries according to their functions, according to the standard industrial classifications of the Dominion Bureau of Statistics, and of the United Nations.

All this service in the Industrial Service group is tied in with the Research Foundation

of Ontario under Dr. Speekman. There are one or two hon. members in the House today who were in the House at the time Howard Ferguson established that Research Foundation, back in the year 1928, and down through these years that Foundation has tackled the problem of fundamental research in Ontario, and has been of untold value to the province of Ontario. Dr. Speekman has associated with him, outstanding scientists, such as Dr. Westman, Dr. Marshall, Dr. Armstrong, Dr. Ellis, and Dr. Rahnke of the Department of Agriculture. These men, along with other scientists, have made a great contribution to the progress of agriculture and industry.

We have in this House quite a few hon. members from the city of Toronto and they will be interested in knowing that the city of Toronto is co-operating extensively with the Research Foundation. It costs the city of Toronto over one-half million dollars annually for refuse disposal. Last year, by converting their waste product into a saleable product, they obtained over \$43,000 in revenue from that source, so there is a great field of possibility there in working with municipalities.

Just the other day, I picked up a clipping, dated March 20, which clipping read:

"Now use mud drilling for oil".

It goes on as follows:

"The woman who does the laundry and mops up floors won't agree, but science has found a use for mud.

Add a few chemicals to mud, doctor it up a bit, and it turns into an important factor in the drilling of oil wells."

When I was at the Research Foundation a short time ago, I saw being carried out, research work on this very subject. Fortunately for us in Ontario, - the waste products of the pulp and paper industry of which there are between 6 million and 7 million pounds a day of waste wood solids going into the lakes and streams of this province, and they may find a way, because of the research work being done, of being developed into a product which will be useful in the drilling for oil. . . .

. . . That is what we have done in Ontario through the field of research in tackling the problems of agriculture and industry. That overall picture of research and co-operation in those fields has paid big dividends, which are directly reflected in the economic health of our agriculture and industry, and which in turn is reflected in the revenues of the Treasury of this province, 31 percent. of which

came from the taxes levied on the corporate profits of industry.

And so I submit, Mr. Speaker, that just as team play, co-operation and research paid us handsomely in our treatment of industry in this province, we will team play, co-operation and research in the field of the administrative processes of governments, at all three levels, reduce the overall cost of government, and that should be the objective of us all.

To state it simply, our objective should be to lower the percentage of taxes (that is, cost of government) to productivity by effecting a reduction in expenditures in the administration of the three levels of government and also by an increase in production. Both of these objectives are possible.

This would, in effect, not only improve our standard of living, but enable us to give greater aid to the countries whose economy is substandard. This aid, as you know, is a potent antidote to the spread of Communism.

Today, Canada as a free Nation, occupies an important place in international affairs. If she is to continue to do so, it is necessary for us to bend all our energies towards furthering

our productive means in order that we may be able to carry our responsibilities.

To do this at the International level, it is axiomatic that our domestic or internal operations must be efficient.

If as a free democracy, we have to compete with a totalitarian country, we must see to it that our three levels of government co-operate and integrate their functional duties.

Ontario, as the keystone province in Canada, has pioneered many developments in the past. And this Government is very conscious of its duties and responsibilities, as the main economic segment of Canada.

Through our hon. Prime Minister (Mr. Frost), Ontario has given real leadership in co-operating with other governments, and I am sure that through the establishment by the Federal Government of a Committee to study the whole problem of Federal-Provincial relationships, the duties of each level of Government under the Constitution and the financial means to enable the performance of those duties, much good is bound to follow.

To sum up, Mr. Speaker:

(1) The functions of government have been set down.

- (2) We know the total cost of government and the breakdown of the cost as between the three levels of government.
- (3) We know our sources of revenue:
 - (a) Income and corporation taxes.
 - (b) Succession Duties.
 - (c) Real and personal property taxes.
 - (d) Custom duties and other import taxes.
 - (e) Excise duties and sales taxes.
 - (f) Gasoline - amusement and other taxes.
- (4) We recognize the extent to which our revenues arise from the tax on the profits of corporations, 32% to 35% in Ontario.
- (5) We have seen what research, co-operation and Coordination has done for industry.
- (6) We can do the same job of research, co-operation and coordination with the administrative processes of government and thereby lower the percentage of taxes to productivity, and better our standard of living for all our people.
- (7) That, Mr. Speaker, is the goal towards which we should continually press.

MR. G. C. WARDROPE (Port Arthur): Mr. Speaker, I move the adjournment of the debate.
Motion agreed to.

RENT CONTROL

Hon. L. P. Cecile (Minister of Travel and Publicity), moves second reading of Bill No. 143, "An Act respecting Rent Control".

Motion agreed to; second reading of the Bill.

MR. T. D. THOMAS (Ontario): Mr. Speaker, last year I had the pleasure of being a member of the Select Committee on Rent Control, and it was an experience I thoroughly enjoyed, although we only met on two or three days. I want to say how much I appreciated being on the Committee under the able Chairmanship of the hon. member for Leeds (Mr. MacOdrum). But, frankly, Mr. Speaker, I was very much disappointed with the recommendation of the Select Committee last Monday. Their recommendation was that the province of Ontario should vacate the field of rent control. During the discussion on the motion on Monday morning, I think I did get the hon. members of the Committee to concede one point and that was there is still a need for rent control in some industrial areas in the province of Ontario. The hon. Minister of Travel and Publicity, (Mr. Cecile) said there were only twenty percent. of the municipalities in the province under control at the present time.

Last year, the Committee canvassed all the municipalities in the province of Ontario, I think a little over 900, and over 700 of them wrote back and said they wanted to be de-controlled, leaving a balance of about 219 of them still wishing control.

(TAKE G FOLLOWS)

The hon. Minister of Travel and Publicity (Mr. Cecile) said in his opinion -- and I think he stated this when presenting the Bill on Tuesday -- it was unfair that eighty per cent of the municipalities should contribute towards the service for twenty per cent of the municipalities. Well, Mr. Speaker, I did not hear the hon. Minister rise and complain when the hon. Minister of Municipal Affairs (Mr. Dunbar) said the cost of the assessment of the Metropolitan Area of Toronto would be \$825,000 up to the end of March, 1954.

It is very true that twenty per cent of the municipalities are now on rent control, but I would like to put this to you, Mr. Speaker, in a very different light. The 219 municipalities still on controls consist of some of the most densely populated areas in the province; I have taken about twenty of them -- cities like Oshawa, -- which is my home town, of course -- Hamilton, Toronto, Windsor, Brantford and Galt, and they consist of about two and a half million people. Those figures were taken from the report of the Department of Municipal Affairs, 1951, and it would be fair to say, Mr. Speaker, that in 219 of those municipalities there would be roughly

close to three million people, or three-fifths of the population of Ontario. They are greatly concerned about this question of rent controls.

During the course of the discussion last Monday, it was mentioned that local people would be in a much better position to take control of this than the provincial Government. Well, Mr. Speaker, I will agree with one thing, and that is this, I do think the local people are subject to much greater pressure than the provincial Government will be, and therefore I think this Government should continue to keep control of the rent control field.

In passing, Mr. Speaker, I should like to pay tribute to the rent control administration. There were times, of course, when their decisions were displeasing to tenants, and sometimes when they were displeasing to landlords, but on most occasions in my riding I have found they were eminently fair, and it does seem a pity that after two or three years, when the organization is working so efficiently and smoothly, it must be disbanded and this problem sent back to the local municipalities.

I do hope, Mr. Speaker, the Government will give this further consideration before they

proclaim the Bill. In my riding the housing situation is very critical, and this is corroborated by the Times-Gazette, which is a very good newspaper with a circulation of about fourteen thousand, and has always been very fair to the Government. This newspaper has this to say:

"The Proposal to End Rent Controls

"An Ontario Legislature rent control committee has recommended to the Government that legislation be enacted bringing rent control so far as the province is concerned to an end in March, 1954. At the present time 219 of the 926 municipalities in Ontario have rent control under provincial jurisdiction. The Committee's proposal presented on a vote of four to one of its members felt that after March 2nd, 1954, the Provincial Government should give up the field of rent control and leave it to the individual municipalities to decide whether they wish to take it over and apply it within their own areas.

"It is interesting to note that the dissenting vote in the Committee was that of T. D. Thomas, member of the Legislature for Ontario riding. Mr. Thomas, and with good reason, holds to the view that the province is better equipped than the municipalities to handle rent control machinery, and he firmly believes that the time has not yet come to drop rent controls.

"So far as Oshawa and some cities with problems similar to our own are concerned, one can see serious difficulties arising should rent control be abandoned

completely. So long as a serious housing situation prevails -- and it will be a long time before that is corrected in Oshawa -- there will be a need of control of rentals. It seems futile to say that more housing will become available if controls were lifted, because there will be a housing shortage until such time as there is sufficient new home building to overtake it, and under present conditions that day is a long way ahead. It would be regrettable were the provincial Government to divest itself of jurisdiction over rent control until such conditions are remedied."

Mr. Speaker, I do plead with the Government to give this great consideration before the Bill is proclaimed. I am quite sure there are other hon. members of the Legislature who realize the problem in their own area, and I hope they will support me in this plea to the Prime Minister to consider the matter seriously before proclamation.

MR. F. R. OLIVER (Leader of the Opposition):

Mr. Speaker, while I do not come from an area where this problem is very serious, it seems to me the reasons held by the Government for the passing of this Bill must surely be substantial, and perhaps when we hear them we will change our opinion. Nevertheless, Mr. Speaker, it seems to me that where we have over 200 municipalities of the province still under provincial rent control,

involving as it would an aggregate population of something like three million people, well over half the population of the Province of Ontario as a whole, the day has not yet come when the Province should relinquish their direction of rent control because it would appear that when the great majority of the areas desire to get out of the rent control business, then the Province could safely walk out and leave it with the one or two or the few which remain.

HON. MR. FROST: Mr. Speaker, may I ask the hon. Leader of the Opposition (Mr. Oliver), would that ever happen as long as we stay in the field?

MR. OLIVER: I think it would. Certainly it is a long way from happening now.

HON. MR. FROST: I was interested in the fact some people in my own riding want to stay on rent control. There are still some agricultural communities who feel the same way, and they have no more need of it than the man in the moon.

MR. OLIVER: Mr. Speaker, I agree that under this Bill if municipalities want to continue rent control they may, but surely the hon. Prime Minister is seized with the importance of this

argument, that for a municipality to institute, on its own, rent control causes local dissatisfaction of one kind and another. It is far easier and there could be a far more uniform application of rent control on the part of the provincial Government, and I would suggest to the hon. Prime Minister that I hope he will even yet take cognizance of what hon. members have said, and retain control.

HON. MR. FROST: The Federal Government thought there was no need for it, and took similar steps. What is wrong with our doing the same?

MR. OLIVER: Mr. Speaker, if the hon. Prime Minister would follow the Federal Government in all things as willingly as he does in this, he would do all right.

MR. W. J. GRUMMETT (Cochrane South): Mr. Speaker, the hon. member for Ontario (Mr. Thomas) and the hon. Leader of the Opposition (Mr. Oliver) have advanced what I consider very reasonable arguments against this Bill. However, there are one or two other points I want to bring to the attention of the House.

Under this Bill a municipal council, which is a local body, has power to pass by-laws adopting the regulations, in the first instance; they have also power under the Bill to create a rental

authority and power to pass a by-law revoking and amending the regulations. I foresee this difficulty, Mr. Speaker. In the smaller municipalities whenever a local council takes onto itself the power to pass such by-laws as these, you will immediately have a multiplicity of actions taken against that municipality.

HON. MR. PORTER: Does the hon. member for Cochrane South not think people have been after us for the last two or three years?

MR. GRUMMETT: But in your case you have behind you the full power of the province.

HON. MR. PORTER: In other words, we are a good Government; is that what the hon. member means?

MR. GRUMMETT: But let a local municipality set up those regulations by by-law or change or amend them in any shape or form, and you will immediately find scores of people who want certain concessions for their own benefit taking actions to hamper and prevent the passing of these by-laws. Such by-laws will be questioned in the courts, and I am sure you will find a great many actions arising out of the passage of this Bill.

Mr. Speaker, another point is this. It

would be quite easy for cities like Oshawa, Toronto and Hamilton and such of the larger cities, to fight for and uphold their by-laws, but what is going to happen to the little municipality which may need the retention of rent controls? They will not have anyone to assist them. The Council will become stampeded and will immediately abandon all attempts to protect their residents by the power given in this Act. I then foresee that only the larger centres will take advantage of the provisions of this Act, leaving the smaller municipalities on their own, and rather than fight pending actions, councils of such smaller municipalities will give up the fight.

As stated by the hon. Leader of the Opposition (Mr. Oliver) and the hon. member for Ontario (Mr. Thomas), at least half the people of the Province of Ontario are still under rent controls, and with that vast number of people under your jurisdiction, why not retain rent controls for some considerable time, until the housing situation improves?

Mr. Speaker, I cannot see why this Bill is introduced at this time. It is a very, very backward step and is going to plunge our

municipalities into untold trouble and confusion.

MR. G. T. GORDON (Brantford): Mr. Speaker, when I read this Bill today I telephoned Brantford and told our Mayor about it, and asked him to give me some direction as to what he thought should be done. He said: "We will still have to have rent controls, and if we have to have them it will not be so good for us because we are too close to the people, and it will be just a nuisance for us, and we have enough of that already."

In Brantford, Mr. Speaker, we have emergency housing at the Brantford Airport, where there are hundreds of municipal housing, about which the hon. Minister of Municipal Affairs (Mr. Dunbar) knows something. There are hundreds of people who have been there for a number of years, and who do not have a vote on municipal affairs, although they pay rent to the municipality and come under all its by-laws. Nevertheless, they are still there, in an island which they are unable to leave because there is nothing for them as yet in Brantford, as far as housing is concerned.

I believe in cities like Brantford rent controls will have to be continued because, human nature being what it is, there are a certain

number of landlords who will certainly start to gouge the poor chap who will be unable to meet the rental payments they will exact.

It seems to me rather peculiar that one should want to abolish rent controls at this time, because I know last summer one of the investigators of the office in Hamilton came to Brantford and he told me they were so busy they did not know how they were going to get caught up, because they had so many applications for increases and decreases. They must have caught up very quickly, but the chap who came to see me did not appear to be working very hard at the job, and I thought it would be a long time before he would be finished with the job.

(H-1 follows)

In the City of Brantford we have 37,000 people, with 13,000 people in the outskirts, making actually a city of 50,000 people, and we must still have rent control. As I have said before if it is not carried on by the Government, it must be carried on by the Municipality.

HON. MR. FROST: Does the hon. member know that in Brantford the Council last year asked to come off rent control, and when they elected another council they then asked to be put on again. Did the hon. members know that was the situation?

MR. GORDON: What does that prove?

HON. MR. FROST: It proves this: It is about time the Province stepped out of this business and left it to the Municipalities which want it. In Brantford they did not know their own minds. Rural Municipalities have asked to remain on rent control. Did anybody ever hear of anything more nonsensical than that? There is a time when these things must come to an end. The war has been over for seven or eight years.

MR. GORDON: In reply to the hon.

Prime Minister, in connection with the Council of Brantford, the Mayor of last year is the Mayor this year, and I am sure the hon. Prime Minister is well acquainted with the Mayor of Brantford. I telephoned him at my own expense and this is the information which I have given you that he wants rent controls to be carried on.

MR. SALSBERG: I confess to being shocked and amazed at the Government's attempt --

HON. MR. FROST: The hon. member is in a perpetual state of shock and amazement.

MR. SALSBERG: The Government supplies many shocks even to a person who is already conditioned to them, but there seems to be no end to the shocks they provide, and in view of the remarks from the Treasury benches, this shock was sprung very suddenly and secretly upon this House, and the people of this Province, as if the Government knew they should not do it and did it suddenly by surprise.

HON. MR. FROST: It does not come into effect until a year from now, that is how sudden it is.

MR. SALSBERG: The committee was called

together, as I am advised, in a hurry, at great haste, and the motion was sprung. The majority representing the party in power voted for it, and there it was!

HON. MR. PORTER: There was only one vote against it. Where were the Liberals?

MR. SALSBERG: There was only one non-Government supporter on the Committee, I understand. It was sprung mainly because it was known the Liberals were away.

I say this legislation, Mr. Speaker, is a dirty bit of business, a very dirty bit of business. Look at the innocence and surprise expressed by the Government supporters. There is no other name for this but the one I have used which is not unparliamentary. It is a dirty bit of business because it amounts to the Government running out on a very large section of the people who are helplessly trapped because this Government failed to carry through its promises to provide decent and adequate housing for the people of the Province.

In the 22 points it was promised to the people of this Province that there would be a housing Commission. It was promised that

the people would be provided with adequate housing. That housing was not provided and the crisis has not only not diminished, but is actually more serious than it was.

The hon. Prime Minister in his capacity as the hon. Treasurer delivered a budget address in which he dealt with the housing situation and he told us that around 200,000 houses --

HON. MR. WARRENDER: Two hundred and thirteen thousand.

MR. SALSBERG: Two hundred and thirteen thousand houses had been built in the period since the end of the war.

What the hon. Treasurer did not tell us was the population of the Province increased by almost one million since that time and the new housing construction is hardly sufficient to keep up with the new demands brought by the natural increase in our population and by the influx of new people. The housing crisis was therefore not solved by as much as a single house, if you compare population increase and the total number of houses constructed. That crisis is still with us.

What is being done now? Having failed

to provide housing you run out on it and say,
"We leave it to the municipalities".

The Government is right, and I will agree with them when they say the Federal Government has run out on the people, that is true. They should not have run out on the people but because they did, the wrong thing does not justify this Government doing the wrong thing and it is wrong, I suggest.

It is not a matter of saving administrative costs, that is a very small item, it is peanuts in a budget of almost \$400 million. Hundreds of millions of dollars are being spent and suddenly the Government becomes economical when it concerns the administration of rent control. It is not a matter of administration expenses, it is a capitulation to a very vociferous group of real estate people who do not want to see any rent control, and never did.

Mr. Speaker, I differentiate between the workingman who buys a house and is compelled because of the cost of the house to rent a few rooms and tries to get a higher rental from his tenants who themselves are working men,

and a real estate operator.

Human nature being what it is, the cost of housing being what it is, and tens of thousands of working people being compelled to buy houses only because they have no place to go, they are left with a mortgage which is beyond their means to carry. They have no alternative but to carry it. Those people, of course, are also asking higher rent from the workingmen who are renting the flats. However, it is our job as legislators thinking in terms of the greatest good to the greatest number, not to capitulate to the pressure that comes, not from the workingman who is the owner of a modest home which is mortgaged to the hilt, but from the professional real estate group who in this City of Toronto issue a magazine which is the most reactionary publication I have ever seen in the English language.

They want to abolish everything except their ownership of the real estate and the raising of rents.

Mr. Speaker, this is not a fictional matter. I am convinced the hon. Prime Minister

knows this is a bad piece of business, and this legislation is wrong. The hon. Prime Minister has a face that does not conceal feelings very successfully. When this matter was brought before the House I could read it in his face, as I am doing now, despite his attempt to speak, that he knows it is a bad piece of business and it should not be done.

With what are we confronted? I repeat the hon. Prime Minister knows this is wrong and his face gives him away completely. What we are dealing with is something which is a matter of life and death, almost, to thousands upon thousands of people.

I am sure there is not one hon. member in this House who lives in a large industrial area who has not had people come to him with this bitter problem of housing. It is heart-breaking at times to have people come to see us, as they do in my case, with pleas to help them find housing accommodation. I am obliged to tell them I am sorry I cannot. I somehow, once or twice, was able to help them and the story has spread that I can get housing, but I cannot.

I am sure the hon. members have also experienced people coming to complain that the rents they are obliged to pay now are too high.

Hon. MR. FROST: The hon. member had a great opportunity to help his constituents in regard to housing by supporting the Toronto Bill No. 80, but he did not do that.

MR. SALSBERG: That is not logic, that is argument.

I am sure also that every hon. member from an industrial area is confronted with this problem of people coming to him and saying they cannot afford to pay the rents. I had to appeal to the City of Toronto a few weeks ago on behalf of a man who was obliged to rent a flat paying \$100 a month instead of the \$30 he paid in an old house until the City decided it must be demolished in order to make way for a new street. This man was in desperate straits, he could not help himself and finally when the wreckers came to remove the ceiling from over his head, he took the first thing that came along at \$100 a month. He earns about \$40 a week and is forced to pay \$100 a month rent. The city official said, "How can he

pay that?" I do not know, but he had to go somewhere.

You may say that is an extreme case but I suggest to you there are hundreds of thousands of such cases. I know of families where the wives are obliged to go to work only because the rent is so high their husbands cannot manage to keep things going.

(I follows)

I am sure we all understand it. It is said some cities and towns have withdrawn. Mr. Speaker, I thought it was wrong last summer for the Government to ask municipalities whether they wanted to be withdrawn. It was tempting them. There is pressure which is put on; we recognize it. There is a conflict of interest. No one denies it. The pressure is by local government. I thought at the time we should not tempt a municipal government by asking them whether they wanted to withdraw or not. Certainly the City Councils are not shy when asking for relief. This was done. What was the result? About 200 communities, as has already been stated by the hon. members who have spoken before me from this side of the House, decided to remain, and that takes in such cities as Toronto, Hamilton, Oshawa and an area like the Niagara Peninsula. The hon. member for Welland (Mr. Morningstar) spoke in this House today. He said he is a working man, and has received a great many votes from workers. That is true. I wish he had not run as a "Tory", but he did. He says he goes into the shops. If that is so, I want to ask the hon. member for Welland, and other hon. members who are in a similar position, what they are going to do in a community like Welland,

when housing is not keeping pace with industry.

Surely they will have crises on their hands. As a matter of fact, so will we all.

I ask this Government to consider the development at Oakville. What do you think will happen? Ford is opening up, and there is no housing provided for the people. A crisis looms in their faces, and yet the Government is saying to the Council, "If you want control, keep it". There will be perhaps property owners in Oakville who will say, "This is the time for us to make a killing". That is simply a case of the small man trying to do what the "big shots" are doing on a grand scale. That is obvious. Certainly there will be pressure on the Oakville Council to get out, and allow the law of supply and demand to settle it. An impossible situation will be created in Oakville, as it will in Niagara Falls, and Kingston, Oshawa, Toronto, and all the other localities. I say the Government is inviting a serious crisis. Sometimes in the heat of argument, some hon. member from across the floor will shout at me, "All you want is to be worse than they are, because you thrive on it". That is so much nonsense, and it is about time it was stopped.

I appeal to the Government not to aggravate a bad situation, not to create a crisis, and that is what is being done.

I am not trying to threaten the Government, nor bludgeon it, but I will speak frankly, and say it will require no effort for me or any other hon. member of this House, to come to this Government with at least a thousand people from every constituency, crying to the Government for help, because they are helpless. Does the Government want that? I hope it does not. Does any hon. member for any constituency want to be faced with that? I will ask the hon. member for Hamilton,, without partisanship at the moment entering into the question, as a hon. member representing the working class, whether they voted for him or not, whether he received a majority vote or a minority vote, makes no difference. Leave that aside. We are here to represent all of our constituents. Let me ask the direct question, "Is that what is wanted in Hamilton? I can fore-see a crisis forced upon the most industrialized areas of the province, and hardships which will be unbearable being forced upon an enormous number of people. What is the excuse? We should not be bothered with it?" What is the excuse? Is it in order

that money may be saved in the administration of the municipalities? I ask the cities, "Do you want that to continue?" Then do not give it up, and I urge the Government for the sake of these thousands of families who are finding it hard enough now to pay their rent, not to make their lot more difficult by removing controls and throwing it into the lap of the City Councils.

MR. C. G. MacOdrum (Leeds): Mr. Speaker, may I just say a word? It has been my pleasure to be Chairman of the Select Committee on Rental Controls since its inception in 1951, and during that period up until Monday last, I have travelled, as it were, the "bridal path" with other hon. members of this House, and I was naive enough to think that possibly the state of connubial bliss could continue. But I have found, to my sorrow, that it cannot. At the last meeting the matter was brought forward by me, and after I had directed certain remarks to the hon. member for Ontario (Mr. Thomas), I thought I could almost hear him say, "Almost thou persuadest me". I am satisfied that every hon. member in this House if he will become realistic, and forget politics, will agree that the Committee has made a proper recommendation. The hon. member for Ontario

(Mr. Thomas) read from his paper. I could read from the Brockville Recorder, which I think is a good paper, although on some occasions it has some resemblance to the Toronto Daily Star --

MR. T. D. THOMAS (Ontario): Mr. Speaker, on a point of order. That is not playing politics.

MR. MacODRUM: I read an article in the Brockville paper -- which is a Liberal paper -- many months ago editorially pleading for the lifting of rent controls. And the same stand was taken by the then Chairman of the Town Planning Board.

This is not a matter of politics; it is a matter of doing business for the people of this province.

I should not direct any remark to the hon. member for St. Andrew (Mr. Salsberg), but every time I glance at him, I think of the saying, "Never had so many suffered so much from so few".

I am satisfied, in my own mind, beyond any doubt, that the removal of Rent Control in the province will stimulate housing. Where are we different from the Maritime provinces --

MR. SALSBERG: The people in the Maritime provinces can tell you that.

MR. MacODRUM.: Since the Federal Government went out of this field, the people in the Maritime provinces put it on a municipal level, where it should be, because who better knows the facts concerning the welfare of the people than those who are elected to the municipal councils? It is not sufficient for us to say, "We will carry it on and take some burden or criticism off the heads of the municipal councils." The situation is being faced all over the province. The hon. member for Ontario spoke about certain municipalities. May I ask, what about Detroit? They removed rental control five years ago. First it went up, and then it levelled off, and all is serene.

What is the situation in London, Ontario? Let me just read from this memorandum:

"During the two-month period, November 27th, 1952, to February 24th, 1953, the London Free Press published 6,163 advertisements offering rental units in London for rent. During the same period, only 923 advertisements were published asking for accommodation of all kinds, apartments, houses, furnished and unfurnished premises."

That is concerning the city of London. Where do we differ in the province of Ontario, from the Maritime provinces?

MR. THOMAS (Ontario): Why not give the same information from the town of Picton, or the township of Whitchurch?

MR. MacODRUM: I was in the Maritime provinces, and I know the situation down there.

MR. SALSBERG: The population has not increased in the Maritime provinces, to the same degree.

MR. MacODRUM: You know not whereof you speak. You know nothing about it. If you would go to the city of Halifax, you would see it growing by leaps and bounds. The town of Dartmouth, is rapidly becoming a city now, located across the harbour from Halifax. What is there in the Maritime provinces different from what we have in Ontario? That country is growing by leaps and bounds, as much as any part of Ontario.

I have studied this as have other hon. members of the Committee, and a careful analysis shows that continued outside interference with the business of housing, does not improve the housing situation at all. Actual experience in Canada shows that in the long run, the effect of such control is to decrease the amount and the quantity of housing available. I say to the hon. member for St. Andrew, that is exactly what he

wants. As the hon. member for Riverdale (Mr. Macaulay) said, "Keep them down; breed your filth and you will get your hope for your Party".

MR. SALSBERG: Mr. Speaker, on a point of order. I do not know to what the remark was directed, but if it was directed at anything I have said in this House, I question whether it is parliamentary.

MR. MacODRUM: In this province of ours, and, in this Dominion of Canada, nearly 60 percent. of our people live in owner-occupied premises, and so I say this matter should be brought down to the municipal level, where it should be, and then it is up to them to decide -- the elected representatives of any municipality -- whether they want it or whether they do not. There will be no confusion.

One of the hon. members, like a prophet of gloom, tried to paint a dark picture, and asked, "What will happen when we get out of control?" Well, what will happen? All they have to do is to take our files, and take over, if they are wise, the entire staff, and there will be no confusion.

MR. W. J. GRUMMETT (Cochrane South): What about the little municipalities?

MR. MacODRUM: They do not need them at all. Consider my town of Brockville. If the town of Brockville should decide to carry on rent control, the most simple thing to do is for them to write a letter to Kingston asking them to send the Brockville file, and one man can carry on, after that. In St. Johns and Halifax, in 1951, there was only one man in the field.

There are many angles to this. People are being forced to buy houses when their best interest is not being served. The employees of railways, banks, telegraph companies, and others, are all subject to being transferred out of town, and would be in a much better position to accept promotions or positions elsewhere if they are not tied down by unwanted homes. I know whereof I speak. People who are coming to the towns or cities, are forced to buy unwanted properties.

So I will say, without going further, that the abolition of rent control will, in my considered opinion, re-kindle the faith and interest of the private investors. The law of supply and demand will work as it has worked in the past. Older houses will be given the care they need, and work will be available for many Canadian men, and even women, at a time when the

outlook for business and employment is perhaps more certain than it has been in the past.

May I say to the hon. member for St. Andrew, and other hon. members, there is no member in this honourable House more closely associated with labour than I am. I have worked with labour. I have worked as a pipe-fitter, with labour, summer after summer, and I know their problems. I do work for the unions, and I support them, and I would not be a party to endorsing this legislation were I not satisfied that by so doing, we will build houses for them, to improve their conditions. But if we carry on as we are doing, stumbling blindly ahead, we will soon find our people will not invest their money in the building of homes. So I say this is legislation for the little man, and not for the capitalists; it will provide proper homes for them, once we get out of the field of rent control.

MR. J. KELSO ROBERTS (St. Patrick):

Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

It being six of the clock, the House took recess.

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Third Session
of the
Twenty-Fourth Legislature
of the
Province of Ontario

— 0 —

Toronto, Ontario, February 12, 1953, et seq.

— 0 —

Volume XXXI

Thursday, March 26, 1953.

— 0 —

EVENING SITTING

HON. (Rev.) M. C. DAVIES, - Speaker.

R. C. Sturgeon,
Official Reporter,
Parliament Buildings,
Toronto.

Thursday, March 26th, 1953,
8:00 o'clock, p.m.

The House resumed.

MR. SPEAKER: I would like to draw the attention of the hon. members to the commemorative placques which we have provided for the hon. members to mark this auspicious year of the Coronation of our Queen. I would not like anyone to think they are a personal gift from myself and that is the reason for the little note attached, pointing out that we are all partakers in the purchase of the gift and in that way, recipients of the gift. I sincerely hope you will take them home and that they will be a mark of this very, very important year of the Coronation of our Queen.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I move you do now leave the Chair and the House resolve itself into Committee of Supply.

Motion agreed to.

House in Committee of Supply; Mr. Roberts in the Chair.

DEPARTMENT OF TRAVEL AND PUBLICITY

HON. LOUIS P. CECILE (Minister of Travel and Publicity): Mr. Speaker, this is the fifth time it has been my privilege to come before the

House to present the hon. members with a summary of plans ahead for my Department and to ask the Assembly to vote the monies necessary to carry out our program.

At the outset, Mr. Speaker, may I extend my thanks to all hon. members of the House for the sympathetic consideration given Travel and Publicity from all sides. It has been apparent that hon. members have accepted the fact that the travel business was everyone's business and have indicated, both in private conversations with me and in such remarks as they have seen fit to direct toward my Department, in the House, that they are confident that the work of development, encouragement and publicization of Ontario's travel industry is being pursued with all diligence, enthusiasm and -- I trust -- efficiently.

I come before you this year with the greatest confidence. That may not be surprising to some inasmuch as we have just experienced, in 1952, our seventh record travel year.

Earlier in the Session I had an opportunity to speak of this last year and to supply you with some figures on that occasion. I shall not repeat anymore than necessary in the

interest of brevity but at the same time, I want to point out a few travel industry facts again to indicate the necessity that we face in keeping up with the pace in our activities. Yes, the time has even come, in my view, to take longer strides because this must be a time when we consolidate our gains, and sometimes that is an even more important proposition than making one's successful advance. My plans are to ensure that the momentum of our tourist industry does not slacken.

From what I can see of the immediate year ahead, all signs indicate that trade prospects never were better.

Operators returning from their annual sales trips to the United States tell me that they have never seen more interest in Ontario vacations.

Incomes are at an all-time high in the United States and there are distinct signs pointing to a possible release of new millions for travel in the United States by forecasted tax changes. The business trend in United States, is observed by this week's current "Business News Digest", one of the most comprehensive summaries of business opinion issued in our

neighbouring country. The report cites steel, automobile and construction, as industries, enjoying continued boom times. When those indicators are prosperous, general business invariably follows in the wake.

"How long will it last?", asks "U.S. News and World Report". While admitting that there is here and there, a belief that the boom is nearing its end, there will be no slackening off for this year at least. The same magazine adds also that business and political pressure is on the government for tax relief and that cuts are coming within the next 12 months. Some cuts will be in effect, such as excess profits tax, which goes off the books in mid-summer this year and there is a strong possibility that income tax reductions will be in effect by July 1st.

All of which means that there will be greater impetus toward travel throughout the United States, and that means opportunity for Ontario. I don't think all of us here in Ontario appreciate to the full the magnitude of the travel income which we are trying to earmark for Ontario. There are some even in the hotel and accommodation field who fail to see beyond the borders of their own property.

I shall not review the figures which I gave you some days ago which showed the breakdown of the tourist dollar, as I think the hon. members of this House know the answers to this situation. I do urge, though, that the hon. members keep on carrying the message of the importance of the travel industry throughout their constituencies -- with all the strength at their command.

On many former occasions, I have pointed out that tourists, in volume, do not come here without invitation. True, a percentage of them do, but in the main the tourist business is like any other merchandising project. You have a good product, you package it as attractively and conveniently as possible, you employ people to tell about the product by advertising and publicizing its useful and enjoyable qualities, how and where it can be bought, and you confidently await developments.

As far as Ontario has been concerned, this has been our program during the seven years which this Department has been in existence. And we have enjoyed the greatest of co-operation from all sides of the industry in our work. Accommodation today in Ontario is better than it has

ever been before -- and this is not only of benefit to our visitors and our economic life, but it helps make Ontario a better place in which we as citizens can enjoy ourselves.

And, too, in every section of Ontario there have grown organizations of various types who have taken over the task of advancing their own vacation, sightseeing and recreation attractions at a local or regional, or industrial branch level. This is gratifying, as the hon. members will realize, since we cannot as a provincial body do much more than do the selling job on a province-wide basis, without placing undue emphasis on any one of our tourist attractions, areas, or municipalities, to the disadvantage of any other.

It will be noted, in asking the House for our annual vote, that the total requested is exactly the same as last year -- \$1,485,000.

In view of the fact that costs are higher throughout our expense field and that we plan to enlarge both our publicity and information services, the hon. members might wonder how we can plan a more extensive program without asking for additional funds. Frankly, it is a matter of bookkeeping. We have reduced

our estimates on one activity where we are retrenching somewhat, and using the money to balance the heavier load on our publicity and information services. The money which we propose to save on the administration of our Rental Control branch -- we estimate that this will be \$190,000, in the current year -- we propose to earmark directly to promotional effort.

We are adding \$100,000 directly to our advertising and publicity budget. This will enable us to do as much advertising as before -- despite the increased cost of both space and production of advertising, and the other \$90,000 will be spent on such improvements as keeping our Reception Centres open the year-round at such major points as Windsor, Sarnia and Niagara Falls, and increasing the period of operation at the other Centres. We also plan to extend our inspection services which have resulted in such spectacular improvements in accommodation offered to our visitors.

In this connection, may I just add, that the policy of this Department when dealing with operators has always been one of education and encouragement rather than the big stick of government edict. We believe that virtue is its

own reward and that, under our Canadian private enterprise system, prosperity invariably follows the good, and the very good and the outstanding. If our inspection and educational methods can help operators to attain those desirable levels of their business, a steadily increasing volume of tourist business will flow to them regardless of any public displays with which the government might furnish them.

And by the same token, the travelling public will shun the substandard just the same as they have been doing. Thank goodness this class of tourist operator is well on the road to oblivion. The increased competition in his own field makes it obligatory to be good or be out.

Speaking for a moment, sir, on the Rentals Administration, which I mentioned a moment ago is responsible for the increased promotional money which we need so much, I explained in an earlier announcement, Mr. Chairman, that several of our offices for many municipalities will be closed due to the desire of those sections to be free of rental restrictions. I look for this to continue as the need for control diminishes. Here, as in the case with our tourist operators,

accommodation conditions are steadily improving until, I hope, that the day is not far distant when we shall see the last of controls of this type.

Returning to the Travel Division, I propose to enlarge our inspectorial structure by one more full-time office. This I consider necessary in order to relieve the present Orillia office which has far too much territory and more establishments than any other area to inspect. This will make district inspectorates eleven in all, located at: Arnprior, Napanee, Orillia, Owen Sound, North Bay, Kenora, London, Orillia, Peterborough and Metropolitan Toronto. The proposed new office will be established somewhere in the Highlands area where the density of accommodation is greatest.

A word about our inspectors, Mr. Chairman. The district inspectors, chosen for their experience and only after intensive training are augmented by summer assistants working on a temporary basis. Most of these men are recruited from the universities and the Ryerson Institute of Technology and are well qualified to carry out their duties. We expect that we will have in

addition to the eleven resident inspectors, thirteen temporary inspectors which is the minimum I feel that we can get along with in view of the fact that there are better than 5,000 establishments between those under our license and those under license of the Department of Lands and Forests, who are subject to inspection by our men.

In the matter of Reception Centres opened on a year-round basis; this is something which we have long felt was a move we must take eventually for the simple reason that travel is no longer a three-month business in Ontario.

Just this January, for example, our border traffic of the tourist class was up approximately 18 percent. over last January, itself an all-time high figure for the month. This trend must be encouraged, if at all possible, and we are ready to do our part. In the publicity item, Mr. Speaker, I am asking for the biggest increase in my Estimates. I have no apology to offer here for there is a job to be done in the interest of our economy, and we are in no position to rest on our oars at this stage.

If you want me to go into detail as to

the activities and spending of our competitors in this field, I can do so for the next hour and not cover the subject. It is sufficient to say that our sister-province of Quebec is spending almost three times on promotion the figure which we are proposing, and they feel, and so do I, that it is good business to do so despite the fact that Ontario's tourist take is almost double that enjoyed by Quebec.

People don't come here, as I said, by inclination alone. Neither do they patronize Eatons and Simpsons entirely from favourable opinions of the institutions. They come on invitation -- sales invitation, if you like -- or from knowledge gained which prompts a desire to see for themselves.

We are constantly sampling our market and some of the preliminary results of a recent sample of visitor opinion will be interesting to the House.

Surveys reveal that 76% of our visitors come here for personal reasons, such as previous favourable experience, general interest in Canada, curiosity about Canada after reading articles about us, and the desire for a foreign vacation and business in Canada. Of these, I am happy to find that the big factor in the above reasons is

previous favourable experience. This proves that our vacations are pleasing our customers.

The next group -- 21 percent. -- come on the recommendation of friends, either in the United States or Canada -- suggestion of some agency, such as an automobile club, tourist service, etc. 13 percent. of our motor tourist trade state that advertising and sales promotion was the greatest influence in their choice of Ontario as a vacation locale.

And here almost half this total name Ontario Government advertising as the chief sales agent in promoting the vacation.

Incidentally, I noticed the other day that the State of Florida disclosed that for every dollar spent on advertising the return was \$176.

A quick reckoning of our figures showed a resulting return per advertising dollar even more impressive than that. However, since it is most difficult to check these sort of statistics, without painstaking and time expending research, I am not prepared at this time to give any firm estimate but I can say this. It is probable that all-told is less than \$1 million spent on advertising to bring people to Ontario from all sources, and our revenue is therefore something

around \$200. per \$1 spent. I do not know of any other business which can point to a better record than that.

May I add a few words about our Division of Public Information where we are asking for only a modest increase. The Ontario Government Bulletin has a circulation, twice monthly, of 90,000 copies and is, in my opinion, doing a remarkable job in acquainting the people of Ontario with the affairs of the province in an unbiased, non-political manner. In other publications issued by this Division, all sides of opinion, I think will agree that we are presenting facts and information in as fair and impartial way as possible.

We are especially proud of our Photographic Library and Ontario travel films which are rendering both a service to those at home and in the promotion of Ontario travel abroad. This Branch will operate this year on approximately the same budget as in 1952-53 and I think, just as effectively as they have in the past. In addition to our newspaper and magazine advertising, in the United States, we shall continue to promote

the most dense plots. Values of 0.75–0.80 were often obtained from plots with the greatest density of trees and shrubs.

The broader sense of soil quality is reflected by the soil depth (0.50–0.75 cm) measured. This measure included soil thickness, soil depth and soil thickness plus soil depth. Thickness was available up to 0.50 cm, so, to some degree, the soil depth reflecting soil thickness plus soil depth or soil thickness plus soil thickness plus soil depth was available up to 0.75 cm. The mean thickness of the soils was 0.15 cm, which is similar to the mean thickness of the soils in the northern part of the study area. This value is probably the true value of undisturbed soil after subtracting the topsoil layer. The mean thickness of the soils with the most soil loss (0.50 cm) was 0.16 cm, which is very similar to the mean thickness of the soils with the least soil loss (0.14 cm).

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Ontario to our fellow Canadians.

I would like to add a word, in closing, about the theme of our promotion activities this year. Quite naturally in this loyal province of Ontario, the thought uppermost in the minds of all of us is the Coronation of our beloved Queen. You will see expressions of our love, devotion and loyalty throughout our booklets and literature and I think I can voice the sentiments of all of us here in that this will be just as it should be.

May I, in presenting my Estimates, thank the hon. members for the patient and attentive hearing they have given me and to urge everyone to consult with our Department at any time on matters affecting the Visitor Industry as it affects their constituency. There are detailed explanations of each and every item and I shall be only too glad to supply answers to any questions which the hon. members have regarding the items now presented for review.

(TAKE BB FOLLOWS)

MR. F. R. OLIVER (Leader of the Opposition):

Mr. Chairman, may I ask the hon. Minister (Mr. Cecile) a question relative to the grading of tourist establishments. I recall last year when the hon. Minister was presenting his estimates to the House, he outlined a system of grading in respect to the tourist establishments, whereby he was going to put a star on one and two stars on another. We were all enamoured, I think, with the skeleton program which he outlined. In the interval something has happened, and I think hon. members would be glad to know just what caused the stars to fall.

I have no doubt there is a good reason for it, but I think the Legislature should be informed of it.

HON. MR. CECILE: Mr. Chairman, I recall that quite well, although I must say at the time I had doubts myself. We found the industry as a whole did not accept it very well. Some of them accepted it and others did not, so we thought instead of letting the matter go further and maybe cause some disagreement among different associations, it might be best to drop it for the time being and try something else.

May I inform the House, Mr. Chairman, it

is our intention now to form if possible something like they have in the State of Michigan, and which they call a "Tourist Council," in which all the organizations are brought together to form this council, and possibly themselves decide what they shall call the standard of accommodation.

The main reason for dropping our original idea at present was simply the fact it did not sit well with many organizations, so instead of creating trouble in that way we thought we would try something else, and stop it before it went any further.

MR. NIXON: Mr. Chairman, there was a report in the press -- I do not know where it came from -- that the Government thought there might be some responsibility in case of a fire in these establishments which it had approved. Is there anything to that?

HON. MR. CECILE: Mr. Chairman, if the press said anything like that, I cannot recall having made that statement to anyone. However, there was a lot of surmise, and possibly : it might have been stated, but on hearing that I inquired of the Department of the hon. Attorney General and found that no such

thing could happen along that line.

MR. HANNA: Mr. Chairman, in listening to the remarks of the hon. Minister, one thing came to my mind, and that is the fact we do a certain amount of travelling throughout our own province.

Living in a rural section I see much which could be improved in our farming communities.

. . The mail boxes are a disgrace to this beautiful province. Some of them are falling over, some of them need painting. I do not know whether this is the proper time, but I feel it should be brought to the attention of the Federal Government.

We talk about travel and publicity. I have been around a little and seen other beautiful spots, but here in the Province of Ontario, we have/what may well be the most beautiful province in the world. This is not an expensive item, and I think it should be brought to the attention of the Federal Government. No doubt it is a federal affair; it is the Queen's mail, and I know the improvement would be really terrific, , both for the Minister of Travel and Publicity and also for the people of this great province.

MR. OLIVER: Mr. Chairman, with reference

to what the hon. member for Huron-Bruce has said, I can hardly imagine the grand old County of Huron getting to a point where it loses so much of its pride it will not keep its mail boxes in good condition. ..

MR. HANNA: The hon. Leader of the Opposition might take a look at Grey County, too.

MR. OLIVER: I think in my own area, and in those of most hon. members, the Farm Forums and Women's Institutes have initiated projects for painting the mail boxes, and I think it is something which could well be left to local pride.

Vote 196:

MR. WARDROPE: Mr. Chairman, with respect to Item 4 of Vote 196, "Northern Great Lakes Area Council -- membership assessment of expenses of delegates attending meetings," I wonder if the hon. Minister would say a word or two about that. I am not quite clear as to what it is.

HON. MR. CECILE: Mr. Chairman, the Northern Great Lakes Area Council is a council formed some years ago, I believe in 1945, comprising the Province of Ontario and the States of Michigan, Minnesota and Wisconsin.

As a member of this Area Council we give them a grant every year, in the same way the different States give their Area a grant. The increase this year is due to the fact there is a possibility the Council itself may open offices in the City of Chicago for the purpose of catering to the large midwestern area for tourist promotion.

Vote 196 agreed to.

Vote 197 agreed to.

Vote 198:

MR. SALSBERG: One word of information, Mr. Chairman. I was glad to hear the hon. Minister mention the intention of the Department to extend the publicity and information work within the province. I want to make it abundantly clear I am not objecting to the expenditures made for advertising abroad, but we do get the feeling every so often that we do not do enough to invite people from other provinces to come and spend their vacations with us, and, for that matter, we do not do enough to encourage the people of our own province to avail themselves of the opportunities which the northern part of the province offers.

I am not going to ask for a breakdown of the publicity expenditures as between Canadian publications and other media of advertising and

their American counterparts; I am not objecting, as I say, to the expense involved in advertising in American magazines, but I do think there is not enough done in the Canadian publications.

Mr. Chairman, while on my feet may I add something in connection with this Department? That is a problem brought to my attention by some tourists I met in the North. I think I mentioned this to the hon. Minister privately, and I believe the matter is not within the competence of his own Department. However, I think it should be. This is the problem, Mr. Chairman: Quite a number of tourists drew my attention to the fact/hotels in our province have a habit of asking them to leave or to check out at all sorts of hours. In some hotels one is allowed to stay until seven, and in others until six o'clock. One particular group told me about a hotel in the near North where they were asked to check out by twelve or pay for an extra day. They felt rather put out by this treatment.

I believe this matter is governed by the Inkeepers' Act, and I would suggest perhaps this Act should be brought within the jurisdiction of the Department of Travel and Publicity, and that,

if necessary, legislation be introduced to establish a more uniform practice among hotels. It is not vital, but it is obviously irritating a great number of people from both inside and outside the province.

HON. MR. CECILE: Mr. Chairman, in answer to the first question of the hon. member, I would say we spend about 20 per cent of our appropriation for advertising in Canada. I am fortunate in this sense, that I am able to speak two languages, and we have our advertising in the Province of Quebec in French. As a matter of fact, we have just released through our agency a short, two and a half or three minute film, showing all the best scenes we have in Ontario, with a narration by myself, and all the newspapers and magazines are covered in Canada as a whole. I may say we have had very good results, and will continue this program.

As to the other matter, I do not know about the Inkeepers' Act, particularly, but I am advised the operators in Ontario follow much the same practice as prevails in the United States. There may be some differences, but that is the general practice.

MR. SALSBERG: It does not seem fair to ask tourists to check out by twelve, or pay for

another day.

MR. OLIVER: Mr. Chairman, could the hon. Minister say how many reception centres there are?

HON. MR. CECILE: Fourteen, this year.

MR. OLIVER: Are any new ones being opened up this year?

Vote 198 agreed to.

Votes 199 to 202 inclusive agreed to.

(CC-1 follows)

Hon. MR. FROST: Mr. Chairman, I move
the Committee rise and report progress.
Motion agreee to.

The House resumed, Mr. Speaker in the
Chair.

MR. A. K. ROBERTS (St.Patrick): Mr.
Speaker, the Committee of Supply reports
progress and begs leave to sit again.

Report agreed to.

HON. MR. FROST: Forty-eighth order.

CLERK ASSISTANT: Resuming the adjourned
debate on second reading of Bill No. 143,
"An Act respecting Rent Control".

HON. MR. FROST: Mr. Speaker, I
listened to the debate this afternoon with
some interest. Two years ago the Federal
Government vacated this field, I think, too
abruptly. I think the Federal Government should
have decontrolled the rental field themselves,
which was possible for them to do.

I quite agree there was a residue of
that problem which could be passed to the
Province and ultimately to the Municipalities.
This is a big province and a big country.

and I recognize there is a variation of conditions in rental fields. In any event we took over these controls in the spring of 1951 with the intention at that time of proceeding towards decontrol.

During the first year we appointed a committee of the Legislature. The matter was looked into with great thoroughness and ability by the members of that committee. After the election another committee was appointed which sat last year and which I intend to recommend to the House should be continued during the balance of the year in order to assist and advise in connection with the administration of this matter.

The trouble is this: controls were instituted at a time when conditions were much different.

I want to add to what the hon. member for Ontario (Mr. Thomas) said concerning the Rental Administrations. I think they have done a very excellent job, but the question in matters of control always arise as to when to decontrol.

Last year ^{the} / committee made its report which had the effect of decontrolling in .

approximately 750 areas. The balance were left under control.

About a year's notice was given of the decontrol of those municipalities. What has surprised me is that in the first instance, there were a great many municipalities, of which Brantford was one, that asked for decontrol, as the hon. member (Mr. Gordon) knows. As matters proceeded many of them found others were going to remain under control and decided to do so themselves. The Leader of the Opposition (Mr. Oliver) knows very well of the 200 odd municipalities which are left, there are many which have no reason to remain under control, and which should be decontrolled.

I agree with the hon. Minister when he says the overwhelming majority of the municipalities still under control should be decontrolled.

If the province remains in this field of controls, leaving it to the option of the municipalities to say when decontrol will take place, -- and they have not the pressure which I think the hon. member from Cochrane South (Mr. Grummett) mentioned

from their own people -- there is a great deal of "buck-passing" in this business when they say, "We do not think there should be controls, but ^{even} if the Province has authority, and is doing it, we do not want it. I think there is an overwhelming sentiment in the great majority of presently-controlled municipalities to be decontrolled.

Mention has been made here by the hon. member for Leeds (Mr. MacOdrum) about the effect of these controls. We must use common sense and reason in this matter. Controls can be of the utmost value under certain conditions, and those conditions were in regard to prices which were associated with the war, and it is my opinion the sooner the country can get back on an even keel, the better, otherwise it tends to operate the opposite way.

I remember very well the days of the Farmers Creditors Arrangement Act. There are some members of this House who will remember the operation of that Act which was introduced during the days of the depression. The effect of that Act at the time, during a period

of crisis was good. I believe it was needed. Due to depression conditions there were thousands of farmers in the country and the province who required assistance, and time to meet their obligations, but when that crisis passed away and when the period of crisis ceased, then the Act began to be a detriment. The hon. member for Brant (Mr. Nixon) and the hon. member for Grey South (Mr. Oliver) will recollect that the Federal Government decided to ask the Provinces whether they would take over the Farmers Creditors Arrangement Act in their provinces. I remember the days of the Hepburn government when they decided it had reached a state where the Farmers Creditors Arrangement Act was not assisting the farmers any longer but was a detriment to and damaging their credit. There were those who were in favour this Act, using it as a shield but it damaged the credit of the great agricultural community and I think it was very wise for them to get out of that.

Another example I can give the House was regarding the Mortgages and Producers Release Act, the Moratorium Act of the early

thirties, which was carried on year after year by this Legislature up to 1945.

The Mortgages and Producers Relief Act far outlived its usefulness. It reached the period when it was damaging credit, when it was making it impossible to acquire loans, and when it was doing more harm than good.

I think that is the problem which must be considered here. Rent controls could be carried . to a point where they become unrealistic, and where they damage the incentive which is necessary to provide new homes in this Province. I believe that is the problem which must be faced here.

We have reached the stage where we have a very important segment of our municipalities, some two hundred of them, who have decided to remain under rent control if the Provincial Government retains it , paying the expenses and providing the administration, and so forth.

I believe there are some agricultural communities where rent control has not/the slightest effect, but they are asking to remain under rent control with the idea of "keeping up with the Joneses". That is damaging to the building of houses in this Province. I

am looking foward to a great expansion in house-building in Ontario. I notice for instance, in my own town, we have built rental units under the rental plan of the Government, and there is no mad rush to take over these places. There are places to rent, but there is no mad rush, and that applies to nearly all the two hundred odd municipalities, to scores of them.

In considering the whole problem, we felt this was the best thi: g to do. As the hon. member for Leeds (Mr. MacOdrum) said, he looked at the situation in some of the other Provinces, Nova Scotia for instance, where they handed this problem over right at the beginning to the municipalities and it is being very well administered. In most of the small communities the number of actually controlled premises is comparatively small . . . I believe there were municipalities which said they did not want rent controls, but under rent controls because some of the 'rest do. I think Leaside was a case in point. There may have been some others, Some municipalities in the Toronto area decided if they could get out of rent controls, they would.

An end must be brought to these things some day. The question is, when? If you are going to attack this matter, which must come:/ by handing the residue to the municipalities, we feel it would be unfair to hand it to them this year, we should give them a year's notice and allow not only the tenants, but the municipalities to apprise their own situation for themselves.

If you do not do it now, it will be 1955 or 1956, with all the damage which will accrue in the interval in those cases. So we felt we should give a year's notice and make this effective next March, in the same way as a year's notice was given a year ago for the decontrol of three-quarters of the Province. We are doing the same today with the idea in mind of giving them sufficient time.

You will find in all the municipalities which should be off control, scores of them will automatically go off. There are problem cases where municipalities must assess their problems and if they want to stay on rent controls all the records and documents are there to assist them in setting up their own type of control. I think provision

is made in this city whereby if the City Council desires, it may control certain areas which have been taken care of in the Bill. There are certain areas where they might want to arrange for control, and other areas to come off controls.

In this great area the matter would be one for the Municipal Council, not for the Metropolitan Council. In the City of Toronto, if they want to decontrol certain wards, that can be done, and the result is this control passes out of the picture.

I think this is the last control which came about as the result of war -- I may be wrong about that. There have been many controls because we went from an autonomy which was almost entirely controlled in everything, down to the point where this is the last remaining control, and I think this last remnant has worn out in most localities.

That sums up the situation. I think the hon. members of this House must recognize, this matter must be terminated some time, and I believe in doing it at this time and providing for a year's notice, -- which is long enough to continue some of these municipal controls, -- they should be off before the time expires.

As a matter of fact, they are not helping the housing situation in their own areas at all by keeping the controls. . .

I am asking the House to accept this Bill. I am most anxious that we should do everything to assist during the period in which we have control, which will only be until about a year from now, until March 2nd next. I am most anxious to assist any of the municipalities during the period of transition from controls, if they desire it.

For that purpose I think it would be well to keep the rent committee operating, to sit and watch the situation and keep close supervision on the problem during the balance of this year, during the period of transition.

MR. SALSBERG: May I ask the hon. Prime Minister if he is aware of the fact that in the Eisenhower administration which has decontrolled everything else in the United States, only last week asked the Congress for a renewal of rent control regulations in that country.

HON. MR. FROST: Until when?

MR. SALSBERG: I do not know. They are asking for an extension of rent controls in a country where more homes proportionately were

built than here.

HON. I.R. FROST: In the matter of controls, I do not know what the situation is with regard to the American Administration, but we must look at our problem here at home. As far as the United States Administration is concerned, they have made very abrupt provision for going out of most controls, shortly after the new Administration came in.

Do not think this is an abrupt cessation of controls. In this case there is a period of a year for everybody to determine what to do, and following that, in cases where the municipalities in their wisdom feel there is a problem, it is their right to carry it on.

In connection with housing in this Province I would ask the hon. members of this House if we could get a period of time when there were no committees sitting perhaps we might go into that -- some day next week -- and it might be possible to arrange to take the hon. members of this Assembly around this great Metropolitan Area, with which we are dealing and look at the new houses going up by the thousands in this Area.

I assume there are things which could be done in public housing.

MR. SALSBERG: The low-wage earner cannot get anywhere near them.

HON. MR. FROST: The more houses erected, the less the pressure is in some other types of accommodation. That all assists.

I would say again to the members of this House, while we have been behind in housing in this particular area, or in parts of this area due to the outmoded municipal system which has existed here, nevertheless taking the Province as a whole since 1946 our people, public and private, have been able to build houses for one-fifth of all the people of Ontario.

Of course the hon. member might say "It takes care of the increase."

I well remember in the days of my youth when places like Earlscourt from where one hon. member on the other side of the House comes, -- when Earlscourt was called "Shacktown". When housing existed only to the extent that people rushed to get to that area and built ..

tar paper shacks by thousands, so much so that the fine and up-and-coming area of Toronto was called "shacktown" in that day.

In this year of 1953, what do you find? You find despite the pressures of war and everything else, our people, publicly and privately, have been able to build houses, if you take the assessment of the hon. member for St. Andrew, to take care of an increase in population, to the extent of one million people. I would like to point out that the hon. member, is always generous in his assessment of things. Actually the increase of population in this Province is about 700,000 in that period of time. During that ten-year period since 1946 we have been able to build housing accommodation for a million people, so we have exceeded the increase by far.

MR. SALSBERG: How many houses were demolished,

HON. MR. FROST: In a province such as the Province of Ontario, which is over one hundred and fifty years old, when you are able to build houses for one-fifth of the people over a period of seven years, I think

you are doing well. That is the story.

The figures are there and they cannot be refuted.

So we have come to this point: This matter must be decontrolled, and I think the way of doing it is reasonable. It is not abrupt. It takes care of the various angles, and it does not do the damage the old Farmers Creditors Arrangement Act did to the farmers, and the Mortgage and Producers Release Act did to the housebuilders in the Province. It approaches this matter at a time when we are on the eve of the biggest housing development the Province has ever seen.

I am sure that 1953, 1954 and 1955 will be our biggest years, although we have had some very big years.

Motion agreed to.

THE HOMES FOR THE AGED ACT

Hon. W. A. Goodfellow) moved second reading of Bill No. 123, "An Act to amend the Homes for the Aged Act".

Motion agreed to; second reading of the Bill.

THE LOCATION, CONSTRUCTION AND OPERATION
OF OIL PIPE LINES

HON. DANA PORTER (Attorney-General) moved second reading of a Bill intituled, "An Act respecting the Location, Construction, and Operation of Oil Pipe Lines".

Motion agreed to; second reading of the Bill.

MR. NIXON: Do you intend saying anything regarding this Bill?

HON. MR. PORTER: Yes. Mr. Speaker, in this Bill we provide for some regulation of construction in maintenance of pipe lines. It is designed to cover a new field of legislative activity in the interest of public safety.

This Bill provides that any new pipe lines constructed must have the approval of the Municipal Board as to their course and route. Certain provisions are made for an application to the Board. No pipe line may be laid or constructed without the consent of the Board, after sufficient information is given to satisfy the Board that the design and construction of this pipe line will comply with safety regulations.

There is a provision in this Bill granting leave to construct a pipe line, in which case the person to whom the leave is granted may acquire by purchase, lease, expropriation or otherwise such leave.

Since this Bill was first introduced, we have given further consideration to the necessity of expropriation in cases of this kind, but I have some doubt as to whether that should be done in this Bill.

(Take DD follows)

The reason I think it was put in this Bill in the first place was because to some extent, it follows the Gas Pipe Line Bill which was passed a few years ago, and it is questionable whether it is desirable to give this very unusual power. I think perhaps we allow too many organizations to expropriate today. It is becoming too easy.

In Committee I will deal with this aspect of the Bill, and will move to have that part of it deleted.

MR. NIXON: Mr. Speaker, if the House is given that undertaking, I have not much to add. I am in entire agreement with the hon. Attorney General. There was some measure of reason for giving these powers to the gas line, which was giving an individual service to homes, and there was some suggestion at that time of bringing gas from Alberta, and also from the United States.

I am in entire agreement with the hon. Attorney General that we should not give these powers so easily to these great, wealthy private corporations, which are quite able to negotiate their own business. Just last year we had

this great oil pipe line from Montreal to Toronto on the East, and from Sarnia to Toronto on the west, and they were able to negotiate their rights of way with the municipalities, and I never heard any complaint about any insurmountable obstacles. It would be much easier for them if they could roll roughshod over farms, as the Hydro does, but I do not think it is in the public interest that this power should be given to these oil corporations. They have shown in the past two years these lines can be built for great distances without the power of expropriation, and if many more firms are given the power of expropriation, all that we will have left on the farms will be the opportunity to pay our taxes. By the time the Highway Department finishes with us, and the Hydro finishes with us, and the Gas Lines take their slice, we will probably come to the conclusion that the tail may as well go with the hide, and all we have to do is to pay the taxes.

I hope the hon. Attorney General will not have third sight on this matter, but will remove this expropriating powers in the "Committee of the Whole.

HON. MR. FROST: Mr. Speaker, what I am about to say I know is really out of order, but I did refer to the hon. member for Brantford (Mr. Gordon) and referred to his city as one which went off rent controls, and then went back to them. I was mistaken, Mr. Speaker. It was Stratford and not Brantford, and I apologize very sincerely.

MR. SALSBERG: Only for the purpose of announcing I am ready to support a government measure when it is good, I rise in support of this Bill. I do, however, suggest that the Bill go to the Labour Committee, if it is possible. As a matter of fact, one of the unions immediately connected with this, suggested it to me, at least; I do not know whether they communicated with the hon. Minister of Labour. I respectfully suggest this go to the Labour Committee.

MR. NIXON: Mr. Speaker, I am in entire accord with the rest of the Bill. I think these powers are very wisely provided, for the supervision, inspection and construction of the pipe lines. We had an incident last fall which shows how dangerous they might be, and I am in entire accord with the hon. Attorney

General as regards the rest of the legislation.

HON. MR. PORTER: I am happy to know the hon. member agrees with me.

MR. NIXON; I am happy to know the hon. Attorney General agrees with me.

HON. MR. PORTER: I do not know where you get that idea. I believe at the time this Bill was introduced, some question slipped out as to whether there were expropriation powers in the Bill which gave me the impression you were against expropriating powers. So am I, Mr. Speaker, and always have been. And being broadminded, I considered this matter, and discussed it with my colleagues, and decided it was a good thing to do. I can appreciate the vivid picture drawn by the hon. member for Brant, concerning his farm, with the Hydro wires over the farm, the gas line underneath it, and the oil line underneath that.

Mr. Speaker, I feel it is quite unnecessary to refer this Bill to any Committee.

Motion agreed to; second reading of the Bill.

THE CITY OF STRATFORD

Mr. J. F. Edwards (Perth) moved second reading of Bill No. 18, "An Act respecting the City of Brantford".

Motion agreed to; second reading of the Bill.

THE CITY OF TORONTO

Mr. E. L. Weaver (St. David) moved second reading of Bill No. 31, "An Act respecting the City of Toronto".

Motion agreed to; second reading of the Bill.

THE TOWN OF ALMONTE

Mr. C. G. MacOdrum (Leeds) moved second reading of Bill No. 36, "an Act respecting the Town of Almonte".

Motion agreed to; second reading of the Bill.

THE SEPARATE SCHOOL BOARD - TORONTO

Mr. A. Kelso Roberts (St. Patrick) moved second reading of Bill No. 37, "An Act respecting the Separate School Board in the Metropolitan Area of Toronto,"

Motion agreed to; second reading of the Bill.

HON. MR. FROST: Mr. Speaker, I move you do now leave the Chair and the House resolve itself into the Committee of the Whole.

Motion agreed to.

The House in Committee; Mr. Downer in the Chair.

House in Committee on Bill No. 142,
"An Act to amend the Edible Oil Products Act,
1952."

Sections 1 and 2 agreed to.

On section 3.

HON. MR. DOUCETT: Mr. Chairman, with the permission of the Committee, I would like to move an amendment to Section 3.

I move that Section 2(a) of the Act, as enacted by Section 3 of the Bill, be amended by adding thereto the following subsection:

"(2) Subsection 1 does not prevent the use of chocolate or cocoa or any flavouring preparation that contains any fat or oils other than that of milk, when used for the purpose of flavouring a dairy product, provided such fat or oil does not exceed one-half of one per cent, by weight, all of the dairy products".

Amendment agreed to.

Sections 3 (as amended) and 4 agreed to.

On Section 5.

MR. J. F. EDWARDS: Mr. Chairman, may I ask a question? Some months ago I ran up against a problem in my county where they were sending chocolate milk, and there was a bit of an argument with some of the officials concerned as to whether it was legal to do that. It amounted to about one thousand cases in a shipment. This Bill will leave them free to make a chocolate milk, a canned preparation, they can export?

HON. MR. DOUCETT: As long as it complies with this Act.

MR. EDWARDS: This is the case of mixing honey with milk.

HON. MR. DOUCETT: Honey is not mentioned in the Act at all.

MR. OLIVER: This Bill comes into effect on proclamation? Does the hon. Prime Minister intend to proclaim the Bill?

HON. MR. FROST: Yes, as soon as it receives royal assent.

MR. OLIVER: The parent bill will have to be proclaimed first?

HON. MR. FROST: That is right.

Mr. Chairman, sometimes we learn things by looking over the country. Yesterday I made some remarks in connection with this Bill, concerning the matter of oleomargarine. To listen to some people, it might be thought that this House was bereft of any common sense in doing these things.

Let us take a glance at Canada, Mr. Chairman. In British Columbia they have introduced a Bill which is up to second reading, to ban the manufacture and sale of all substitutes of dairy products, except oleomargarine. Of course, in British Columbia, there is going to be a general election, but the Bill is up to second reading. Coloured margarine is permitted in that province, the only province in Canada thus far to so enact, but the Government which introduced it did not do very well with the electorate,

In Alberta it was announced last week a Bill would be introduced prohibiting the sale of dairy substitutes except oleomargarine, the same as the principle of this Bill, as I see it.

The same in Saskatchewan, where the party to which the hon. member for South Cochrane (Mr. Grummett) and the hon. member for Ontario (Mr. Thomas) belongs has a toe-hold --

MR. GRUMMETT: A stronghold.

HON. MR. FROST: May I read what I have here? Apparently a Bill has been submitted to amend the Dairy Act prohibiting all dairy substitutes except oleomargarine. That is the same as we have here.

In Manitoba, the same is the case, I understand a few days ago a bill was introduced to permit colouring, but was defeated.

In Nova Scotia and New Brunswick, the legislation is exactly the same as here.

In Prince Edward Island the same Bill, and the total prohibition of oleomargarine in that province.

In our sister province of Quebec, not only are all substitutes for dairy products banned, but a total ban on oleomargarine.

I was quite interested in reading a letter, not addressed to myself, which Hon. Mr. Duplessis addressed to one of the dairymen in his province, under date of March 11th, 1953.

He said:

"It is undeniable that the Provincial Government of the Province of Quebec has established, and will maintain a definite, irrevocable policy, by which the fundamental dairy industry will be fully and completely safeguarded. A law was adopted in the Quebec Legislatures some time ago, prohibiting the manufacture and sale of oleomargarine, or any product of the same, in the Province of Quebec."

"I need not add that the Government of Quebec will resist the introduction in our Province of any product competing with dairy products. I hope that every one concerned will amicably co-operate with the Government of the Province of Quebec in this respect. . . . otherwise proper means will have to be taken to ensure the enforcement of this provision."

Mr. Chairman, I have given you a . . . picture of all Canada. I think this Legislature and this Government has been pretty sensible in their decision. As is well known, we set the pattern for all our country, and I think we have every reason to feel this is a just, sound and proper decision.

As I have said, Mr. Chairman, when looking at the picture across Canada, every Province is introducing this Bill, which is the same as ours, some going further than we have in this Province.

Section 5 agreed to.

MR. A. WREN (Kenora): Mr. Chairman,
I think the hon. Prime Minister has but reiterated
what I said yesterday.

HON. MR. PORTER: You do not persuade
your own people at the time.

MR. WREN: I said we are not solving
the problems of the Dairy Industry by colouring
oleomargarine, or by the lack of colouring.
If what the hon. Prime Minister says is correct,
this Government should propose taking steps
to abolish oleomargarine altogether.

HON. MR. DOUCETT: I suggest the hon.
member for Kenora introduce a Bill, and we
will give it consideration.

Bill No. 142 reported.

THE PLANNING ACT

The House in Committee on Bill No. 111,
"An Act to amend the Planning Act".

HON. MR. WARRENDER: Mr. Chairman, I
move the following be inserted as Section 1
of the Bill, and sections 1 to 8 be renumbered
as Sections 2 to 9.

"That Clause (i) of Section 1
of the Planning Act is repealed,
and the following substituted

therefor:

(i) 'Public work' means any improvement of a structural nature or any undertaking that is within the jurisdiction of the Council or of any local Board."

Amendment agreed to.

(EE follows)

Section 1 as amended agreed to.

Sections 2 to 9 inclusive agreed to.

Bill No. 111 reported.

LICENSING AND REGULATING OF
ELEVATORS

CLERK OF THE HOUSE: Fifth Order, House in Committee on Bill No. 87, "An Act to provide for the Licensing and Regulating of Elevators and Certain Other Types of Lifts."

Sections 1 to 3 inclusive agreed to.

MR. PARRY: Mr. Chairman, was this rectified in the Bill, this 54 inches to 60 inches?

HON. MR. DALEY: That was agreed on; there was to be an amendment and it is reprinted.

Sections 4 to 28 inclusive.agreed to.

Bill No. 87 reported.

OPERATING ENGINEERS ACT

CLERK OF THE HOUSE: Sixth Order, House in Committee on Bill No. 89, "The Operating Engineers Act, 1953."

Sections 1 to 35 inclusive agreed to.

Bill No. 89 reported.

ONTARIO SCHOOL TRUSTEES COUNCIL

CLERK OF THE HOUSE: Seventh Order, House in Committee on Bill No. 103, "An Act to incorporate The Ontario School Trustees Council."

Sections 1 to 13 inclusive agreed to.

Bill No. 103 reported.

PUBLIC SCHOOLS ACT

CLERK OF THE HOUSE: Eighth Order, House in Committee on Bill No. 109, "An Act to amend The Public Schools Act."

Sections 1 to 17 inclusive agreed to.

Bill No. 109 reported.

TEACHERS' SUPERANNUATION ACT

CLERK OF THE HOUSE: Ninth Order, House in Committee on Bill No. 110, "An Act to amend The Teachers' Superannuation Act."

Sections 1 to 3 inclusive agreed to.

MR. SALSERG: Mr. Chairman, it is true this Bill is not in second reading and it is true hon. members cannot discuss the principles of the Bill, but it is also true that the Bill received very little discussion, if any, because of the understanding it was going to Committee, and I feel a last appeal should be made to the Government.

HON. MR. PORTER: It went to the Committee on Education.

MR. SALSBERG: I know it did, but the House did not have an opportunity to discuss the Bill. You see, Mr. Chairman, when the Bill was called for second reading it was without discussion, because it was going to Committee, but I believe there is still time to amend this Act to meet the very human and well-deserved request of the older teachers in our community.

A private hon. member cannot move an amendment because it calls for the expenditure of money and for a contribution on the part of the Government to the superannuation fund. I suggest the Government should move an amendment even at this late stage to meet the dire needs of these teachers, and it can be put as bluntly as that, the dire needs of some of our older teachers, who, through no fault of their own, are now asked to exist on \$600 or \$700 a year. I think it is shameful, if I might use that strong expression -- shameful that a province of our size and of our wealth should haggle over a paltry amount which would help these men and women who have given the best they had in the most important work in every community, the raising of the young.

Give them an opportunity to eat enough and live half decently, which they are unable to do on the present pension, and these are our oldest teachers.

HON. MR. FROST: Mr. Chairman, let me give the hon. member for St. Andrew the facts of this matter. When this Government assumed office the teachers were receiving something in the nature of a pittance. Steps were taken early in the history of this Administration to rectify that situation, and the . Attorney General (Mr. Porter) who was then hon. Minister of Education for some two or three years, had a thorough examination of the fund conducted and very great expansions were provided in connection with the teachers' position. I shall not deal with what is being done for the new teachers because among other things the ceiling has been taken off the pension and they are enabled to have a pension in accordance with what they earn. The situation has entirely changed.

The then hon. Minister of Education found a very deplorable condition existing in relation to some of the older teachers. Mr. Chairman, some of the older teachers were getting as little as \$200 a year, and the hon. member for

St. Andrew knows that to be true. What was done was this. Some of these teachers had been retired for years on a very small pension, and a survey was made of the Teachers' Superannuation Fund. It was felt that without doing injustice to the annuitants, the ones receiving less than \$50 a month could be raised to that amount, and, indeed, I believe, from that amount up to about \$1600 per year. There was, I think, an increase of at least \$10 a month, or \$120 a year. That is my recollection of it.

It was only some three or four years ago, perhaps less than that, all of the teachers received an additional amount of \$10 a month, and those who were receiving less than \$600 were brought up to \$600. At that time this was regarded as a very generous settlement; perhaps I should not say "settlement", but a very generous move, and the teachers were most complimentary to the Government and the House for doing that.

Nearly all those teachers about whom hon. member for St. Andrew complains are teachers over seventy years of age. These people are all now receiving \$960 a year by way of old age pension, and \$480 a year if they are unmarried or

widowers or widows. . . You can see the tremendous improvement which has been made in the status of these people. The injustices, the wickedness, which the hon. member for St. Andrew complains of has all accumulated in the last two or three years. This whole matter was adjusted and everybody was completely satisfied and happy two or three years ago, but since that time, even with the additional \$40 a month, this has become a "matter of utter wickedness." There is a great deal of nonsense talked about this sort of thing. Let us point out the situation with other funds in this country.

We have retired clergymen of all denominations, who paid into superannuation funds based upon the cost of living of other days, and today these retired clergymen are receiving certain amounts and they receive no "upping" in their amounts whatever. They have been able to fall back on the old age pension. The reason for our universal old age pension has been given to this House many times; it is to meet this situation. Most hon. members know of some of our older citizens -- old railroaders who worked on the railroads and receive superannuation on the basis of what was considered to be fair

many years ago -- who are today receiving very little. There is not one of these funds which has made any adjustment whatsoever, and the saving grace of the situation is the universal old age pension which we in this House helped to make possible.

The teachers remember , the Government went a long way in that we had a survey made, and, as I say, every one of the old teachers was brought up to \$50 a month whether they had earned it or not, and every one of the teachers was given a bonus from funds which had accumulated, amounting to \$10 a month, or \$120 a year. This is a fund which is self-supporting and self-sustaining; the teachers pay in a certain percentage, the Government supplements that by a certain amount, and the Government . . . subsidize the fund to the extent of giving an increased interest rate over the current rate. In order to strengthen this fund, as the House knows, we have been paying, for the last few years, a million dollars a year into it. That was passed by this Legislature a few years ago.

It is unnecessary to use language such as the hon. member for St. Andrew has used. This is the only pension fund I know of which has

adjusted its payments in the manner I have mentioned in a retroactive way. In addition to that, every one of these annuitants, if married, is receiving \$960 a year, and if unmarried, . . ., \$480 a year, if they are over seventy years of age. Most of these people are over seventy years of age now.

What is being done now is to modernize the Act in so far as the new people are concerned. We are dealing today with a different problem; we are dealing with people who might go out and get employment elsewhere, and get perhaps a better superannuation. . . . The provisions made here are to bring the pensions in line with modern conditions. The teachers are going to pay for this; their contributions have been increased, and other things are being done to enable them to pay for the services and for the security they are going to receive.

I do not think any further retroactive features can be introduced. Everything has been done in the Act now which the financial condition of the Fund can stand.

The older teachers get at least \$50 a month, and in most cases \$40 a month old age pension in addition to that. The provisions

to alleviate the obvious hardships which have arisen have been more apparent in the Teachers' Superannuation Fund than any other fund in this country.

(FF-1 follows)

MR. SALSBERG: Mr. Chairman, I am not denying the Government has taken a few steps in the right direction in this respect.

HON. MR. FROST: Many steps, not a few.

MR. SALSBERG: I remember very well the discussion in this House, and I remember the House did not hesitate for a moment to vote any amount the Government asked for the Teachers' Superannuation Fund, to make possible the granting of higher superannuation allowances to those people. The point I am trying to make, Mr. Chairman, is that while it is true there are other retired workers and perhaps professional people whose retirement allowances are altogether too insufficient, that should not and cannot justify a failure on our part to take care of this section of the older servants of the people, for that is what they were, and among the best of . . . servants, too, each to the best of his or her ability.

I have before me a communication which all hon. members have received. This is from the retired women teachers. I am not going to read the whole letter, although it is a document which could very well go on the record.

They point out that many of them are

living on less than a person who lives in a home for the aged. While it is true those over seventy are now receiving the old age pension, there are many who are not yet seventy who have retired and are on the minimum of \$600.

HON. MR. PORTER: Does the hon. member know the number?

MR. SALSBERG: Yes, I know. There are 800 who are receiving only \$600 per year, and about 200 who are receiving less than \$720 a year.

HON. MR. PORTER: But are these all people who are not entitled to old age pension?

MR. SALSBERG: That is all they are getting, so evidently that is all they are entitled to.

HON. MR. PORTER: That is all they are getting as pensioners, but those figures do not indicate whether --

MR. SALSBERG: The total number of teachers getting the minimum I am taking from an article in The Star.

HON. MR. PORTER: I would certainly like to read it.

MR. SALSBERG: I am quite certain this newspaper has had all the facts at its disposal.

HON. MR. PORTER: Mr. Chairman, I think it

when a real one among others was no longer
seen, were called by the older people 'the
old ones' who had passed away. They
had been buried long ago, and their spirits
lived on. The old ones were the fathers
and mothers of the people. When they died
they became the old ones.

Traditional ways

The old ones were the people of the past.

The old ones had taught their children and their
children's children, and so on, the old ways.

(1970)

The Ancestors talk to us (1970)

Traditions have remained the same, and new paths are
taken. The past life is not forgotten, as
new conditions are established; yet
the past also lives on (1970) (1970).

The old ones taught their children the old ways,

and the old ones taught their children the old ways.

When the old ones died, they became the old ones,
and the old ones died, and so on, and so on.

(1970)

The old ones died, and so on, and so on.

(1970)

The old ones died, and so on, and so on.
The old ones died, and so on, and so on.
The old ones died, and so on, and so on.

will be found the Star is merely discussing the amount of pension these people are getting from the superannuation fund. Is that not right?

MR. SALSBERG: No, I am reading the editorial, and the heading is: "Miserably Miserly Superannuation." They use even stronger words than I used.

HON. MR. PORTER: Would the hon. member get to the figures?

MR. SALSBERG: I will get to the figures, and the hon. Minister might take a drink; he certainly will need it.

The editorial, the heading of which I have already given, is as follows, and I shall not read it all:

"Some eight hundred retired teachers, many of them in poor physical health, are receiving only \$600 a year from the super-annuation fund."

HON. MR. FROST: Mr. Chairman, may I point out that those eight hundred who are receiving \$50 from the fund are teachers who were on the retirement list and who retired at least four years ago. I would say that of that eight hundred the hon. member mentions, 90 per cent, -- perhaps all of them,--are now eligible for old age pension, so they are getting \$600 from

the fund and \$480 more, and their wives or husbands are getting \$480, . . . in addition to that.

Th May I reiterate that one of the reasons this Government pressed for universal old age pensions was to better that very condition. There is no justification for treating one class differently than another. As a matter of fact we have in this province people on Workmen's Compensation and on all sorts of pension plans, and everyone of them gets this \$40 a month, which was far more than they ever asked for from this Government in an adjustment of their pensions.

MR. SALSBERG: Mr. Chairman, I should make it quite clear the teachers have been pleading with the Government to raise the minimum.

HON. MR. FROST: Mr. Chairman, actually it just cannot be done. It is at the limit right now.

MR. SALSBERG: Mr. Chairman, that is another question. However, I think the hon. Prime Minister quite unintentionally may have left the impression that the teachers have not been asking for this, and that I am the one raising it. I want to make it abundantly clear that the teachers have asked for it, and in fact, one newspaper --

HON. MR. FROST: Mr. Chairman, may I inform

the hon. member this matter has received the utmost consideration, and there is not one more cent in the fund which can be squeezed out for these retroactive pensions.

MR. SALSBERG: Mr. Chairman, without suggesting the fund is inadequate, I am suggesting this Government should provide the necessary funds to pay the difference between what is now paid as the minimum, at least to those who are not yet seventy years of age, and what they are asking for. May I conclude with this, that I am confident the people of Ontario will not begrudge this group of people the amount of money the Government may set aside for them. I am quite certain the reaction of the people would be universally in favour of it and they would be grateful to the Government for taking such a step.

MR. MURDOCH: Mr. Chairman, I do not rise very often, because I do not pretend to be an expert on every subject which comes before the Legislature. However, this particular Bill was referred to the Standing Committee on Education for the very purpose of asking the superannuated teachers to come before the Committee and present their views and suggestions, which they did. Considerable time was spent listening to the

superannuated teachers. The hon. Minister of Education (Mr. Dunlop) was there, the Director of Education, the Deputy Minister of Education, and also, I believe, the Chairman of the Superannuation Board.

This matter was gone into in detail, and it was explained by the hon. Minister of Education just why their requests could not be combined in this particular Bill. However, he gave them every assurance that he would give the matter further study and try to iron out any of these inequalities, as was done a year ago, and with this assurance the Committee adjourned.

I would like to point out to hon. members, including the hon. member for St. Andrew, that if they are particularly interested in any phase of this Government or any Standing Committee, although they may not be a member of that Standing Committee they may attend the Committee meetings and hear all these things discussed. Had the hon. member for St. Andrew been at the Committee meeting the other morning, he would not have gone into all this, because all these questions have already been answered.

MR. SALSBURG: Mr. Chairman, of course I pleaded with the Government to put me on that

Committee.

HON. MR. PORTER: The hon. member could have attended.

MR. SALSBERG: I pleaded with the Government to put me on that Committee; the hon. Prime Minister is a witness to that. They would not do it.

Sections 4 to 7 inclusive agreed to.

On Section 8:

MR. OLIVER: Mr. Chairman, in reference to Section 8 of the Bill, I think a great deal of the criticism which has generated in respect to this Bill comes from the fact the \$3,000 ceiling has been removed and the base of \$600 has not been increased. To remove the ceiling of \$3,000 will help the one per cent, but it does not help the ninety and nine. It may be, as the hon. Prime Minister says, it is actuarially unsound to raise the base beyond the \$600 figure. If that be true, then I suggest to him there should have been greater hesitancy on the part of the Government in removing the ceiling of \$3,000.

If we cannot raise the base from \$600, I do not think the ceiling of \$3,000 should have been removed, and had that not been done I think there would have been no criticism at all.

HON. MR. PORTER: Mr. Chairman, the fund,

of course, consists of contributions made by the teachers, and it may be in some cases a teacher might not earn sufficient to receive \$600 a year pension. It is to cover those cases where, by reason of the fact their teaching has been interrupted or some other cause, the amount of pension they earn is not \$600; therefore, in spite of that the balance is paid out of the Fund up to \$600.

At the other end of the scale, as a result of the increased level of salaries throughout the province, some teachers have been earning more than sufficient to give them a \$3,000 pension, so it is unfair for them to go on paying more into the fund than they are going to get out of it.

MR. OLIVER: They have been doing that for some time.

HON. MR. PORTER: They have. Under the old Fund I think the ceiling was \$1,500; then it was raised to \$3,000 because conditions had changed, and \$1,500 was too little.

MR. OLIVER: But even at the \$3,000, they have been many paying in more than they have been getting out.

HON. MR. PORTER: That may have been so when this was first introduced, but changes have

since taken place. I believe the figure used is the average salary over the last fifteen years, but in the last four years salaries have risen considerably, which has raised the average to which they would be entitled in the way of an earned pension. There are more teachers now who are earning more than a \$3,000 pension, whereas four years ago, \$3,000, as conditions then were, seemed to be a fairly high pension, relatively speaking.

HON. MR. FROST: Mr. Chairman, actually, where the ceiling is taken off the teachers are getting what they paid for.

(GG-1 follows)

The fund is substantial. They pay up to \$600, but in this case it would have been taken over because the teachers have paid for it.

This happens in the Civil Service as well. There was, I think, a ceiling in the Service of \$2,000. We have now taken off the ceiling entirely. We have civil servants here who long ago paid far more than sufficient for the \$2,000 bonus and yet, according to the Act, they have continued contributing.

The principle in this Bill has already been in effect in the Civil Service and in other superannuation services and Government services. I think you will agree it is just.

Sections 9 to 30 agreed to.

Bill reported.

THE DESERTED WIVES AND CHILDREN'S
MAINTENANCE ACT

House in Committee on Bill No. 42, "An Act to amend the Deserted Wives and Children's Maintenance Act," Mr. Porter.

Sections 1 and 2 agreed to.

Bill No. 42 reported.

THE JUDICATURE ACT

House in Committee

on Bill No. 47, "An Act to amend the Judicature Act", Mr. Porter.

Sections 1, 2 and 3 agreed to.

Bill No. 47 reported.

THE JURORS ACT

House in Committee

on Bill No. 53, "An Act to amend the Jurors Act", Mr. Porter.

Sections 1, 2 and 3 agreed to.

Bill No. 53 reported.

THE INTERPRETATION ACT

House in Committee

on Bill No. 55, "An Act to amend the Interpretation Act," Mr. Porter.

Sections 1, 2 and 3 agreed to.

Bill No. 55 reported.

THE REGULATIONS ACT

House in Committee

on Bill No. 56, "An Act to amend the Regulations Act", Mr. Porter.

Sections 1, 2 and 3 agreed to.

Bill No. 56 reported.

GG - 3

THE COLLECTION AGENCIES ACT

House in Committee

on Bill No. 57, "An Act to amend the Collection Agencies Act", Mr. Porter.

Sections 1 to 4 inclusive agreed to.

Bill No. 57 reported.

THE LOAN AND TRUST CORPORATIONS ACT

House in Committee

on Bill No. 58, "An Act to amend the Loan and Trust Corporations Act", Mr. Porter.

Sections 1 and 2 agreed to.

Bill No. 58 reported.

THE MECHANICS LIEN ACT

House in Committee

on Bill No. 59, "An Act to amend the Mechanics Lien Act", Mr. Porter.

Sections 1 to 3 agreed to.

Bill No. 59 reported.

THE PUBLIC OFFICERS FEES ACT

House in Committee

on Bill No. 62, "An Act to amend the Public Officers Fees Act", Mr. Porter.

Sections 1 to 3 agreed to.

Bill No. 62 reported.

THE MORTGAGES ACT

House in Committee

on Bill No. 64, "An Act to amend the Mortgages Act", Mr. Porter.

Sections 1 to 3 agreed to.

Bill No. 64 reported.

THE INSURANCE ACT

House in Committee

on Bill No. 65, "An Act to amend the Insurance Act," Mr. Porter.

Sections 1 to 8 inclusive agreed to.

Bill No. 65 reported.

MR. J. F. EDWARDS (Perth): On this question of insurance, I see there is something here regarding funds payable only to members regarding rates and so forth. I just wonder under which department this is. Are there any Provincial Government regulations as to the regulation of rates? There is a great variation in rates for fire insurance in this Province, and some of our community centres and arenas are being penalized greatly. I wonder where the controls come from to assure that people in communities where they have community centres are being charged a fair rate.

There is absolutely
no government regulation in rates whatever.
It is up to the Underwriters.

THE SUMMARY CONVICTIONS ACT

House in Committee
on Bill No. 78, "An Act to amend the Summary
Convictions Act ", Mr. Porter.

Sections 1 and 2 agreed to.

Bill No. 78 reported.

THE SUMMARY CONVICTIONS ACT (No. 2.)

House in Committee
on Bill No. 100, "An Act to amend the Summary
Convictions Act (No.2)," Mr. Porter.

Sections 1 to 3 agreed to.

Bill No. 100 reported.

(HH follows)

THE CREDIT UNIONS ACT

The House in Committee on Bill No. 101,
"The Credit Unions Act, 1953".

MR. OLIVER: Mr. Chairman, may I ask the hon. Prime Minister if the officials of the Credit Unions were present at a meeting of the Committee and were they satisfied.

HON. MR. FROST: Mr. Chairman, may I ask the hon. member for Lambton West (Mr. Cathcart) who had to do with the matter of Credit Unions, give an explanation as to what took place in Committee.

MR. B. L. CATHCART (Lambton West): Mr. Chairman, I have to stop to collect my thoughts for a moment, if I may be permitted. I was reading an editorial in the Star, patting the hon. Minister of Highways (Mr. Doucett) on the back, and I was right in the middle of it. I really thought it was worth reading.

In regard to the Credit Unions Act arranging for the transfer of the supervision of Credit Unions from the Department of Agriculture to the Department of Insurance; there was some objection raised by our Provincial Credit Unions. They held their convention a week ago, and at

that convention expressed their dissatisfaction.

However, it was my privilege to meet with some of the executive of the convention at the hotel, and inasmuch as I have been close to the Credit Union movement since the organization of the first Credit Union, and knowing the executive personally, it was my privilege to talk to them.

The hon. member for East York (Mr. Beckett) was the Chairman of the Legal Bills Committee, and this Bill was referred to that Committee for consideration.

The hon. member for East York (Mr. Beckett) and myself, with the executive, consisting of Mr. Hallihan, Mr. McDonald, and Mr. Mitchell, their solicitor, conferred with the hon. Prime Minister and after a full explanation, they agreed it was the proper move to make, to be transferred from Agriculture to Insurance, where they would get proper supervision.

As the result, when the Legal Bills Committee met, these three gentlemen appeared, presented their brief, and spoke on it, and said not only would they accept the Bill as it was drafted, but they were very, very happy about it. I think the hon. members in the House are also

and 1990 (1990: 23), in both countries who reported a positive attitude towards the country and its government. In Germany, the proportion of respondents who were satisfied with the government was 70% in 1990 and 65% in 1999. In France, the figure fell from 60% in 1990 to 48% in 1999, and there was a significant decline between 1990 and 1999 in the proportion of respondents who were satisfied with the government in both countries.

Secondly, after the fall of the Berlin Wall, there was a significant increase in the number of Germans who said they wanted to live in another country. In 1990, 10% of Germans said they wanted to leave Germany; by 1999, this figure had risen to 20%. In France, the corresponding figures were 10% and 12% respectively.

Thirdly, although the political and social effects of German reunification have been limited to the former GDR, the economic and social costs of reunification have been considerable. Moreover, given the large number of former East Germans living in West Germany, the social costs of reunification are likely to be even greater than those of the former West Germans. The former East Germans are less well educated, less skilled, and less experienced in the labour market than the former West Germans, and this has led to a significant increase in unemployment among the former East Germans.

Fourthly, the political and social costs of reunification have been limited to the former GDR, the economic and social costs of reunification have been considerable. Moreover, given the large number of former East Germans living in West Germany, the social costs of reunification are likely to be even greater than those of the former West Germans. The former East Germans are less well educated, less skilled, and less experienced in the labour market than the former West Germans, and this has led to a significant increase in unemployment among the former East Germans.

happy, not so much that they accepted something the Government offered, but because they expressed their full approval, and were very happy with the transfer, where they would get much better supervision than they could expect in the Department of Agriculture, which was hardly equipped to give proper supervision.

HON. MR. FROST: The hon. member for Lambton West (Mr. Cathcart) was with the deputation which came to me. I was asked to go down and open the Credit Unions' Convention which was held here, I think, two or three weeks ago. When I went down there, I found the Credit Union people who were there in very large numbers, were expressing some dissatisfaction at the transfer from the Department of Agriculture, to the Department of Insurance. That dissatisfaction has, I think, been entirely dissipated.

This matter of Credit Unions went to the Department of Agriculture some dozen years or so ago, in the days of Mr. Dewan, when he was Minister of Agriculture. These Credit Unions have grown to more than 700 in number and the Department of Agriculture simply has not facilities, nor indeed is it their work, to supervise financial

concerns.

Upon discussing this with the Credit Unions themselves, and with the hon. member for West Lambton (Mr. Cathcart), they were most anxious there should be some reasonable and decent supervision. What they seemed to be afraid of was this move was made because the Government was not sympathetic to their movements . The very converse is true. We are most sympathetic with the movement, and will do anything to help them advance their organization. It involves the whole question of credit, and credit which can be stimulated in any way in this province is for the benefit of the province. Credit which has come to this people is a very great asset, indeed. I do not think our banking institutions meet the situation, with the result Credit Unions have sprung up all across this province, finance companies, such as the Household Finance Company, and the Credit Unions fill a very definite need. We are most anxious to assist them. We want to do everything we can to make it easier for them to organize, expand, and develop.

I did go so far as to say to them that perhaps it would be a good thing, in view of the magnitude of this movement, if we could get an

accountant from one of the Credit Union organizations to come in and tell us what he knows about the movement, one who is sympathetic toward it, and who would be enabled to assist us. I think the hon. Leader of the Opposition will agree if there were some of these Credit Unions which were badly managed, and went astray, they would hurt the movement, and the Credit Union people readily recognized that. I asked Mr. Dagleish, the President, to come and see me, and I also asked the hon. member for West Lambton (Mr. Cathcart) to get in touch with Mr. Dagleish, and come in with him, so we could discuss obtaining some good Credit Union man, and perhaps take him into the Government service, to provide the necessary contacts.

MR. CATHCART: A year ago, at the Credit Union Convention, request for this supervision was passed by the convention unanimously, and following a full explanation of what the Government was doing for them, the executive present at the convention spent some considerable time and money to contact other members of the executive by telephone, and explain to them what was happening, and obtain their approval of this movement.

MR. GRUMMETT: Mr. Chairman, I was at the meeting of the Standing Committee on Legal Bills, and I believe the hon. member for Lambton West could have added that while the Credit Unions were quite satisfied with the arrangement, they did express the hope that in the not too far distant future, they might be honoured by having a special Department of Government looking after their interests. I thought it was only a reasonable suggestion.

HON. MR. PORTER: Was the suggestion not this, that if there was at any time a Department of Government to take care of the whole movement of co-operatives, they would prefer to be included amongst the co-operatives, rather than under the Insurance Branch, but, in the meantime, this is perfectly satisfactory?

MR. GRUMMETT: Yes. We felt the arrangement made whereby they came under Insurance was quite satisfactory, and if in the future, it was felt a branch could be set up to look after co-operatives and credit unions, they would prefer something of that kind, rather than being under the Insurance Department.

Sections 1 to 59 inclusive agreed to.

Bill No. 101 reported.

THE JUDICATURE ACT

House in Committee on Bill No. 107,
"An Act to amend The Judicature Act".

Sections 1 to 3 inclusive agreed to.

Bill No. 107 reported.

THE LAND TITLES ACT

House in Committee on Bill No. 108,
"An Act to amend The Land Titles Act".

Sections 1 to 5 inclusive agreed to.

Bill No. 108 reported.

(TAKE II FOLLOWS)

THE HIGHWAY TRAFFIC ACT

CLERK OF THE HOUSE: 26th Order, House in Committee on Bill No. 129, "An Act to amend The Highway Traffic Act."

Section 1 agreed to.

On Section 2:

HON. MR. DOUCETT: Mr. Chairman, I would like to move an amendment to Section 2. I move:

"That subsection (2a) be amended by striking out the words 'unless a certificate in respect of the operation of such motor vehicle or trailer from the Ontario Municipal Board as required by such Acts has been furnished to the Minister' and substitute in lieu thereof the following:

'unless the owner of such motor vehicle or trailer is in possession of an operating licence as required by such Acts'."

Amendment agreed to.

Section 2 as amended agreed to.

Sections 3 to 24 inclusive agreed to.

Bill No. 129 reported.

THE MORTMAIN AND CHARITABLE USES ACT

CLERK OF THE HOUSE: 28th Order, House in Committee on Bill No. 120, "An Act to amend The Mortmain and Charitable Uses Act."

Section 1 agreed to.

On Section 2:

HON. MR. WELSH: Mr. Chairman, I move an amendment to Section 2, subsection 6. The purpose of this amendment is that on looking this over we have decided that while it does half the job and implies that it does a complete job, we are of the opinion it does not. I move that after the word "date" in the last line, the following words be added:

"and to land so assured, acquired or held on or after that date."

Amendment agreed to.

Section as amended agreed to.

Sections 3 to 5 inclusive agreed to

Bill No. 120 reported.

THE CORPORATIONS INFORMATION ACT

CLERK OF THE HOUSE: 29th Order, House in Committee on Bill No. 121, "The Corporations Information Act, 1953."

Sections 1 to 8 inclusive agreed to.

MR. OLIVER: Why is it brought into effect on the 1st day of July 1953?

HON. MR. WELSH: We intended to bring all three of these Acts, which are practically the same thing, into effect on that date.

Section 9 agreed to.

Bill No. 129 reported.

ELDERLY PERSONS HOUSING AID ACT

CLERK OF THE HOUSE: 30th Order, House in Committee on Bill No. 122, "An Act to amend The Elderly Persons Housing Aid Act, 1952."

Sections 1 to 4 inclusive agreed to.

Bill No. 122 reported.

RURAL TELEPHONE SYSTEMS ACT

CLERK OF THE HOUSE: 43rd Order, House in Committee on Bill No. 136, "An Act to amend the Rural Telephone Systems Act, 1951."

Sections 1 to 3 inclusive agreed to.

Bill No. 136 reported.

POWER COMMISSION ACT

CLERK OF THE HOUSE: 44th Order, House in Committee on Bill No. 137, "An Act to amend The Power Commission Act."

Sections 1 to 9 inclusive agreed to.

Bill No. 137 reported.

UNIVERSITY OF TORONTO ACT

CLERK OF THE HOUSE: 45th Order, House in Committee on Bill No. 149, "An Act to amend The University of Toronto Act, 1947."

Sections 1 to 6 inclusive agreed to.

Bill No. 140 reported.

THE HIGHWAY IMPROVEMENT ACT

CLERK OF THE HOUSE: 46th Order, House in Committee on Bill No. 141, "An Act to amend the Highway Improvement Act."

Sections 1 to 4 inclusive agreed to.

Bill No. 141 reported.

SIR HENRY MILL PELLATT TRUST

CLERK OF THE HOUSE: 54th Order, House in Committee on Bill No. 23, "An Act to Dissolve the Sir Henry Mill Pellatt Trust."

Sections 1 to 6 inclusive agreed to.

Bill No. 23 reported.

CITY OF PETERBOROUGH

CLERK OF THE HOUSE: 55th Order, House in Committee on Bill No. 26, "An Act respecting the City of Peterborough."

Sections 1 to 7 inclusive agreed to.

Schedule agreed to.

Bill No. 26 reported.

TOWNSHIP OF NORTH YORK

CLERK OF THE HOUSE: 56th Order, House in Committee on Bill No. 29, "An Act respecting the Township of North York."

Sections 1 to 7 inclusive agreed to.

Bill No. 29 reported.

HON. MR. FROST: I beg to inform the House that the Honourable the Lieutenant-Governor, having been informed of the subject matter of these resolutions, recommends them for the consideration of the House.

CLERK OF THE HOUSE: Resolution by Mr. Gemmell that, (a) land liable to acreage tax under The Mining Tax Act, when used for any purpose other than mining or upon which there is timber, other than Crown Timber, having an average value of more than \$2 an acre, shall be liable to an annual tax; and, (b) the Lieutenant-Governor in Council shall fix the rate of the annual tax; and (c) the minimum tax imposed in respect of land which contains 200 acres or less shall be \$6, and where the land contains more than 200 acres, the minimum tax shall be \$6 plus 3 cents an acre for every acre over 200. As provided by Bill No. 127, "An Act to amend The Provincial Lands Tax Act."

Resolution agreed to.

(JJ-1 follows)

THE CLERK OF THE HOUSE: Resolution by
Mr. Doucett:

That, the Lieutenant-Governor in Council may direct payment out of the Consolidated Revenue Fund of such an amount as may be deemed necessary or advisable to subsidize the Fund, as provided by Bill No. 129, "An Act to amend The Highway Traffic Act."

THE ARCHITECTS ACT

CLERK OF THE HOUSE: 31st Order, House in Committee on Bill No. 61, "An Act to amend The Architects Act."

HON. MR. PORTER: Mr. Chairman, the hon. member concerned with this matter is not in the House. I was my intention to introduce an amendment. However, I would ask it be held over.

Bill No. 61 held.

PUBLIC SERVICE ACT

CLERK OF THE HOUSE: 33rd Order, House in Committee on Bill No. 104, "An Act to amend The Public Service Act."

Sections 1 to 5 inclusive agreed to.

Bill No. 104 reported.

HON. MR. FROST: Mr. Chairman, I move the Committee rise and report certain Bills with amendments and certain Bills without amendment and certain Resolutions.

Motion agreed to.

The House resumed; Mr. Speaker in the Chair.

MR. A. W. DOWNER (Dufferin-Simcoe): Mr. Speaker, the Committee of the Whole House reports certain Bills with amendment, certain Bills without amendment, and certain Resolutions, and begs leave to sit again.

Report agreed to.

THE LORD'S DAY (ONTARIO) ACT

MR. A. WREN (Kenora) moved second reading of Bill No. 118, "An Act to amend The Lord's Day (Ontario) Act."

He said: Mr. Speaker, I do not feel there is anything very contentious about this Bill. I would like to explain the reason for introducing it. It came to me as a request from the Ministerial Association of my riding, an Association of clergymen of all denominations, and also from several of the municipalities.

HON. MR. FROST: Mr. Speaker, may I ask the hon. member for Kenora (Mr. Wren), in his riding are there any of the municipalities which have voted under this Act, favourable to Sunday sports?

MR. WREN: Yes, there are.

HON. MR. FROST: What places are they?

MR. WREN: Dryden, Sioux Lookout and Keewatin.

HON. MR. PORTER: Is there any difficulty arising there?

MR. WREN: Yes, that is what I would like to explain. What happened there, and the reason for the introduction of the Bill, is that some of the sports which eventually are permitted under the existing Lord's Day Act, do become, by intent or otherwise, commercial in their application, and the intent of this Bill is merely to indicate that voters in voting on a municipal plebiscite to permit Sunday sports will be fully informed as to the type of sports for which they are voting.

Perhaps I should explain further by saying that what happens is, these campaigns sometimes become very bitter, unnecessarily so, because there is misunderstanding on both sides as to just what is intended if a plebiscite is favourable to the passage of a by-law. By that I mean, some over-zealous clergyman on the one hand --

HON. MR. PORTER: The hon. member for Kenora does not conclude he is over-zealous, does he?

MR. WREN: No, I say someone over-zealous

in their opposition, shall I say, to a by-law being passed, might suggest certain sports are going to be allowed which it is not the intention --

HON. MR. PORTER: In other words, he is not telling the truth; is that it?

MR. WREN: He does not know whether it is or not.

HON. MR. PORTER: Is the hon. member saying a man in that position would make a misstatement or say something is going to happen when he did not honestly know it was?

MR. WREN: The hon. Attorney General is trying to "put me on the spot", or something of the kind. I am simply trying to explain this Bill. I have not his years of legal experience.

HON. MR. PORTER: It has nothing to do with legal experience. It is simply a matter of that being a very damaging remark about a certain class of people.

MR. WREN: Mr. Speaker, it was not a damaging remark.

HON. MR. PORTER: I thought so.

MR. WREN: Let us say some people who are opposed to Sunday sports will become over-zealous

in their opposition to any suggestion that a by-law be passed, and perhaps suggest certain sports will be allowed which the council or any group proposing Sunday sports never intended to allow. Such a suggestion does arise, sometimes.

The intent of this Bill, as I said at the outset, is merely one of making the purpose of the voting clear to the electors who will vote; in other words, it will specify that commercial public games might be permitted under the by-law, and, secondly, before the plebiscite is taken, the council will publish the type of sports and games which would be permitted if the plebiscite were passed.

Mr. Speaker, there is no other intent or purpose in this Bill. It is simply for the purpose of indicating clearly the intent and the purpose; in other words, binding the council of a municipality to pass a by-law for the particular type of sports and games which the electors have approved by a majority vote.

HON. MR. FROST: Mr. Speaker, this also is a matter which was gone into thoroughly just two years ago. It was a very difficult subject, and when it was dealt with in this House some hon. members had great fears as to what would

happen. Those fears, Mr. Speaker, have proved unfounded. As a matter of fact, Sunday sports is not a subject of controversy in the Province any longer; it is a question which I think has been resolved to the satisfaction of the people.

There was concern on the part of some that it would make a wide-open Sunday. Such has not been the case. In the city from which the hon. Minister of Municipal Affairs comes, Sunday sports were rejected, and I am not quite sure whether they were rejected in the City of Hamilton. In any event, in Toronto it is working in a very controlled and restricted manner, and provision is made in this great city -- and indeed in any municipality -- where by the municipal council can control what types of sport are played in various parts of the city, and I have not heard any complaint from any municipality.

Mr. Speaker, regarding the question: "Are you in favour of commercial public games and sports?" that is a matter which received a great deal of consideration in the House. My recollection is the question had to be framed to fit in with the terms and phraseology of the Federal Act.

Sunday sports and Sabbath day observance is, I believe, a Federal matter, and our jurisdiction only came about because of the Federal Act. It was decided that the question as framed in our Act was the only one which could be used, in order that it might have meaning and validity within the terms of the Federal Act, from which our powers to deal with the subject emanate. I would say we have considered the matter, and it was determined by this House three years ago that the question as framed should be the question used.

Here was the picture three years ago, Mr. Speaker, and it is still the picture today. First of all, it is not desirable to have a multiplicity of votes on the question. It was determined that the municipalities would simply be asked whether they were in favour of Sunday sports within the meaning of; and having regard to the prohibitions in the Federal Act, so those prohibitions might be waived and the type of Sunday sports be left to the councils to decide by by-law. If the people did not like what the council did, they could elect a new council.

That was the purpose, Mr. Speaker. The Act has been kept simple, and I think it has

been effective. Indeed, I have received a minimum of complaints in relation to it.

The hon. Minister of Municipal Affairs (Mr. Dunbar) is aware of the vote which is held in the City of Ottawa. I do not think there was any misunderstanding among the people there. They voted against Sunday sports. It is true a clergyman or two became excited about it, but the public are pretty wise; they knew what was going on, they knew what they were voting on, they used their prerogative, and Sunday sports was defeated there, and has been defeated, I think, in Timmins as well as in other places. I cannot see there has been any misunderstand at all.

Mr. Speaker, if we clutter up this Act with a lot of other things, what will be the result? This Act says the council shall, before the vote, publish the sports to be voted on. If they do publish such a list, what will it mean? If you were going to do that, it would have to be on the ballot and let people mark it right on the ballot. That would take us into the whole realm of the difficulties we discussed two or three years ago, and I believe would be entirely unsatisfactory.

As far as this Bill is concerned, I think it only adds complications. I do not think the question fits in with the provisions of the Federal Act, and I believe it might very well raise questions of constitutionality. After all, Mr. Speaker, the Act is so simple; the question submitted to the electors is: "Do you want Sunday sports?" If the electors say yes, then it is for the council by by-law to determine, and they may be altered at the will of the people.

Mr. Speaker, the Act has worked so satisfactorily, in my opinion it would be folly to disturb it.

MR. WREN: Mr. Speaker, I want to repeat I did not introduce this Bill with any idea of causing contention, as the hon. Attorney General (Mr. Porter) perhaps set out to indicate.

HON. MR. PORTER: Mr. Speaker, I did not indicate that; I simply pointed out to the House some peculiar language the hon. member for Kenora used about certain people.

MR. WREN: As a matter of fact, Mr. Speaker, I conducted a poll of my own with respect to the Act, and I discovered very little complaint except the difficulty which arose as to

clarification. I am introducing this Bill at the request of a very representative group in my riding, as a private Bill, with nothing contentious in it. I introduced it at their request, as is my duty, and I am asking this Legislature to pass on the wisdom or otherwise of the Bill. That is the sum and substance of it, Mr. Speaker.

(KK-1 follows)

MR. OLIVER: Before the motion is called, when the hon. Prime Minister suggested this Bill was given a thorough study at the time of its introduction, that is quite proper, but over the years, we have by numerous Acts, made good law better, as time goes on in the light of new conditions and the light of our experiences during the passing of time.

What the hon. member for Konora (Mr. Wren) suggests is a very simple thing, and I do not see why it should engender very much antagonism on the part of the Government. At the present time, when a vote is taken, it is taken in the broad sense to include the commercial sports allowed under the Act. The hon. member's suggestion is that before the vote is taken, there will be those who will say, "If this vote is passed, such-and-such a sport will be allowed", and there is a danger of engendering a good deal of antagonism toward the vote itself, and the outcome. His suggestion is before the vote is taken, the Council decide on what sports are to be allowed, and advise the people, so they will know exactly what is going on.

The only argument I can see against it was, there was some doubt as to the validity of any further sports other than those mentioned,

and that it might not be in conformity with the Act. If another form of question could be submitted, I cannot see why the Bill introduced by the hon. member for Kenora should meet very much criticism from the Government.

Motion negatived.

HON. MR. FROST: Mr. Speaker, we have done a pretty good day's work, and I would like to move the adjournment of the House.

Tomorrow is the short day, but I think we will have time for one address on the Budget, and possibly two. That will be arranged by the Whips. Then I would like to deal with the Estimates of the Department of Agriculture, and am hopeful that the Vice-Chairman of the Hydro Commission will make another statement on Hydro. This will be the fourth address he has made on this subject, and I think he is absent tonight preparing his facts and figures, to give the hon. members further elucidation on this very important subject.

Mr. Speaker, I move the adjournment of the House.

Motion agreed to,

The House adjourned at 10:55 o'clock,
p.m.



Third Session
of the
Twenty-Fourth Legislature
of the
Province of Ontario

— 0 —

Toronto, Ontario, February 12, 1953, et seq.

— 0 —

Volume XXXII

Friday, March 27, 1953.

— 0 —

HON. (Rev.) M. C. DAVIES, - Speaker.

S E C O N D E R R A T A

Vol. XXVII; page B-2, line 11: Between "and" and
"was" insert
"perhaps."

" " " B-1, " 1: After the word
"heading" insert
"Doucett rejects
request for connect-
ing road inclusion
in highway network."

" " " B-1, " 5: After the word
"Representation" add,
"Oliver had drawn
the Minister's atten-
tion to the road
between Durham and
Flesherton but
failed to mention
the Mount Forest -
Shelburne Road."

" " " A-4, " 1: Delete "Latter part
of the" and add
"Moved by Ed White,
seconded by Smith
and passed by
Wellington County
Council, Jan. session."

" " " " 27: After the word "fact"
delete balance of line,
line 28 and first
word on line 29."
Add "Little or none
of the County roads
in the province have
been absorbed into
Provincial systems
since 1943."

E R R A T A Page 2.

- Vol. XXIX Page G-9, Line 23: Change "bare" to "fair"
- " XXX " B-2 " 4: Change "thousand" to
 "dozen"
- " " " I-6 " 13: Change "Five years ago"
 to "More than five months
 ago."
- " " " 1-10 " 2: After word "employment"
 add "is received by
 some authorities with
 admitted concern."
- " XXXI " F-4 " 11: After "Department of
 Agriculture" add
 "And my old college
 friends, 'Lin'
 Chapman and Dr.
 Putnam."
- " " " F-5 " 19: After words "for oil"
 add "In addition to
 the work being done
 by the Research
 Foundation, there is
 that of the Research
 Council of Ontario,
 headed by Dr. Strafford,
 and Dr. J. O. Wilhelm.
 These men co-ordinate
 the work of seven
 Committees, dealing with
 forestry, fish, wildlife,
 industrial, highways
 and minerals.

P R O C E E D I N G S

of the

THIRD SESSION OF THE TWENTY-FOURTH LEGISLATURE
OF THE PROVINCE OF ONTARIO, ASSEMBLED IN THE
PARLIAMENT BUILDINGS, TORONTO, ONTARIO, THURSDAY,
FEBRUARY 12TH, 1953, ET SEQ.

Hon. (Rev.) M. C. Davies,
Speaker.

Toronto, Ontario,
Friday, March 27, 1953,
2:00 o'clock, p.m.

And the House having met.

Mr. Speaker in the Chair,

Prayers.

MR. SPEAKER: We have as guests in the Chamber today, students from the Ridgetown High School, the Mountain View Public School, Fruitland, Ontario, the Mary Street School, Oshawa, and Our Lady of Lourdes School, Toronto.

As I have the opportunity of saying each day, we take pleasure in having you with us in the Assembly, and sincerely trust your visit this afternoon will be of benefit and pleasure.

Presenting petitions.

Reading and receiving petitions.

Presenting reports by Committees.

MR. S. F. Leavine (Waterloo North): Mr. Speaker, I beg leave to present the report of the Standing Committee on Health and move its adoption.

THE CLERK ASSISTANT: Mr. Leavine, from the Standing Committee on Health, presents the Committee's report, as follows:

"Your Standing Committee on Health begs leave to present the following as their First and Final Report:-

Your Committee begs to report the following Bills without amendment:-

Bill No. 75, An Act to amend The Public Health Act.

Bill No. 133, An Act to amend The Private Sanitaria Act.

Your Committee begs to report the following Bills with certain amendments:-

Bill No. 105, "An Act to amend The Embalmers and Funeral Directors Act.

Bill No. 125, The Pharmacy Act, 1953.

Bill No. 134, An Act to amend The Cemeteries Act."

All of which is respectfully submitted.

(signed) S. F. Leavine,
Chairman."

Motion agreed to.

MR. B. CATHCART (Lambton West): Mr. Speaker, I beg leave to present the report of the Standing Committee on Lands and Forests, and move its adoption.

THE CLERK ASSISTANT: Mr. Cathcart, from the Standing Committee on Lands and Forests, begs to report as follows:

"Your Standing Committee on Lands and Forests begs leave to present its Report as follows:

Your Committee begs to report the following Bills without amendment:-

Bill No. 95, An Act to amend The Forest Fires Prevention Act.

Bill No. 96, An Act to amend The Forestry Act, 1952.

Bill No. 126, An Act to amend The Lakes and Rivers Improvement Act.

Bill No. 127, An Act to amend The Provincial Land Tax Act.

Bill No. 128, An Act to amend The Public Lands Act.

Bill No. 138, An Act respecting the Boundary between the Province of Ontario and Manitoba.

All of which is respectfully submitted.

(signed) Bryan R. Cathcart"

Chairman."

Motion agreed to.

MR. A. H. COWLING (High Park): Mr. Speaker, I beg leave to present the report of the Standing Committee on Government Commissions, and move its adoption.

THE CLERK ASSISTANT: Mr. Cowling, from the Standing Committee on Government Commissions, reports as follows:

"Pursuant to your directions, your Standing Committee on Government Commissions held five meetings during the current session to discuss and hear matters of public interest and importance.

Mr. Cowling was elected Chairman.

At the second meeting the members had the pleasure of hearing and asking questions of Judge W. T. Robb, Chairman of the Liquor Licence Board of Ontario, and of the hon. Arthur Welsh, Provincial Secretary and Chairman of the Liquor Control Board of Ontario.

At the Committee's third meeting, Magistrate S. Tupper Bigelow, Chairman of the Ontario Racing Commission, was present. He outlined to your Committee the operations of the Racing Commission and answered numerous questions.

Mr. Robert H. Saunders, Chairman of the Hydro-Electric Commission appeared before your Committee twice. On the first occasion he gave your Committee a lengthy and detailed report on current issues of interest, and on the second he answered numerous questions put by your committee to him."

Motion agreed to.

HON. G. A. WELSH (Provincial Secretary):

Mr. Speaker, I move that Orders 24 and 25 be

discharged, and Bills 120 and 121 be referred back to the Committee of the Whole House.

Motion agreed to; Bills 120 and 121 referred.

HON. G. A. WELSH (Provincial Secretary): Mr. Speaker, I beg leave to present to the House, the following:-

(1) The report of the Minister of Public Works of Ontario for the year ended the 31st of March, 1952.

MR. SPEAKER: Motions.

Introduction of Bills.

THE REGISTRY ACT

Hon. Dana Porter (Attorney-General) moves first reading of Bill intituled, "An Act to amend the Registry Act".

Motion agreed to; first reading of the Bill.

He said: Mr. Speaker, this Bill is presented for the purposo of bringing the Registry Act into conformity with a certain new section in the Mortmain and Charitable Uses Act, which is now before the House.

CONSOLIDATED REVENUE FUND

Hon. Mr. Frost (Prime Minister) moves

first reading of Bill intituled, "An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund".

Motion agreed to; first reading of the Bill.

MR. HARRY NIXON (Brant): How much this year?

HON. MR. FROST: \$50 million.

MR. SPEAKER: Introduction of Bills.

Orders of the day,

MR. C. G. MacODRUM (Leeds): Mr. Speaker, before the Orders of the day, I would like to have a correction made in the Hansard of yesterday. I refer to page I-6, line 13. I was speaking in regard to Detroit, and it reads that they removed rental control"five years ago," What I believe I said was that they removed rental controls more than five months ago.

Then, on page I-10, line 1, after "outlook for business and employment" should be insorted the words "by some authorities with admitted concern".

May I just digress for a moment, Mr. Speaker. I was hurried, as you will appreciate, last evening. I commenced my remarks at ten minutes to six, and was most anxious not to delay the House after the hour of six o'clock. I wished

at that time to preface my remarks by extending my personal congratulations -- and I know this will be shared by many members of my profession -- to the hon. Attorney-General (Mr. Porter) for bringing to the attention of the House, some practices pursued by some members of the legal profession. There is an old saying that "Two bad apples do not spoil the barrel", and I think this matter should be viewed in that light. I am satisfied, as I am sure the hon. members here, who are members of my profession are, there is no group in any profession which has contributed more of their time, talents, and energy for the public welfare than have the legal profession. I thank the hon. Attorney-General for bringing this before the House.

HON. MR. FROST: Mr. Speaker, when this House adjourns today, I would like it to stand adjourned until two o'clock on Monday afternoon, and a motion will be presented to the House for adjournment this afternoon, covering that matter. In all probability a night session on Monday night, for this reason; we intend to ask on Monday that when the House adjourns, it stands adjourned until Wednesday, out of respect for the late Queen Mary,

and as a mark of respect at the time of her funeral. We have received no intimation from any other source, and were waiting to see what the situation might be elsewhere, but we feel that perhaps we can set our own pattern and precedent, and the House could stand adjourned on Tuesday.

That, of course, does not mean that Government business will not go on in the ordinary course, both in Committees of the House and in the Government offices.

Mr. Speaker, I am very pleased this afternoon, to have the opportunity of welcoming a former Premier of the province, to our Assembly, and I am very glad indeed to welcome hon. George Drew, who sits in the chair which is occupied very often by our good friend, the hon. George Henry. Mr. Henry very often comes to the Legislature which for so many years -- considerably over 30 -- was the scene of his labours and he comes at times when matters with which he is concerned are being dealt with. I think this is the first time we have had Mr. Drew back with us since the days of 1948, and it is a very great pleasure to welcome him to the Assembly.

In recent years, I think we have had all the former Prime Ministers here at one time

or another, with the possible exception of Mr. Hepburn, whom I invited on various occasions, but he always gave ill health as the reason why he was not able to attend, although he did tell me that he would come back some time. I am sorry indeed that owing to the circumstances of time and human frailties, it has been made impossible for Mr. Hepburn, to return, as he was one of the most valiant gladiators in those days, back in 1938 and 1939, extending from then for a period of about ten years in this House.

Mr. Drew is also a valiant fighter on any matter, political or otherwise, in which he is interested. He, like Mr. Hepburn, never hesitated to take his position and make it clear on any subject of public importance, or what he regarded to be as such. We are very glad to have back with us today, to pay us a visit, the fourteenth Prime Minister of Ontario, the hon. Mr. Drew.

MR. SPEAKER: Orders of the day.

THE BUDGET DEBATE

Resuming the adjourned on the amendment to the motion that Mr. Speaker do now leave the Chair, and that the House resolve itself into the Committee of Supply.

(TAKE B FOLLOWS)

MR. G. C. WARDROPE (Port Arthur): I wish first, Mr. Speaker, on behalf of my constituents and myself, to thank sincerely the hon. Prime Minister (Mr. Frost) and his Ministers, for their kind co-operation in giving prompt attention to the many problems which arise in our great Northland from time to time, and although the answer to many requests often has to be "no", we feel that before the decision has been reached a great deal of investigation and thought has been given all these requests.

I also wish to thank the Government for the many visits the hon. Ministers have made to the North country. We appreciate these courtesies and we know they have been made many times at great sacrifices in time, due to the long distances we in the Northwest ask them to travel.

I want to thank also all the staffs of the different Government Departments for their diligence and courtesy on behalf of my constituency and its people.

My congratulations go to the hon. member for Elgin (Mr. Thomas) on his appointment to the Ministry of Agriculture. No man could have been chosen as a successor to the "Abraham Lincoln" of Ontario, the Hon. T. L. Kennedy, who would

be better fitted, or whose choice would have been more popular with the people of Ontario. He will have my whole-hearted support.

Congratulations also to the hon. member for Windsor-Sandwich (Mr. Griesinger) on his appointment to the Ministry of Public Works. His business experience and his excellent past service in the Department of Planning and Development certainly justify his appointment. I shall do everything in my power to assist him.

I would like also to congratulate the hon. member for Hamilton-Wentworth (Mr. Warrender) on his appointment to Cabinet rank as Minister of Planning and Development. I predict he will make a real job of that portfolio, and this House will be fully behind him.

To my old friend Tom Kennedy, may I say how much I regret his decision to relinquish Cabinet rank. It would be selfish indeed to ask him to keep on expending his energy at the rate he has been doing in the past. When one remembers he has given fifty-three years to public life, surely we must admit he is entitled to the less rigorous role of a private member. May he be spared many years to fulfill that duty. I know the farmers in my constituency,

along with all our other people, would want me to say a sincere thank you to him for all he has done for agriculture and general good,honest government.

During the past year the Government has, from time to time, enacted forward-looking legislation which is proving very beneficial to our people as a whole. The forward-looking legislation brought down in this House in the Budget is an example, and has never been equalled by any Government in this Province to date.

Many things have been done for my district, which we appreciate, but as we progress and grow, we must constantly press upon this House our increasing needs.

One of our greatest needs is a junior university. It is true we are the home of the Lakehead Technical Institute, but recently Dr. Sidney Smith, President of the University of Toronto, has given us encouragement in his annual report, when he suggested a province-wide system of junior colleges. His suggestion would mean, in part, that the present pressure and over-crowding of students in universities would be relieved. He also envisaged a group of young people who want some form of higher education

without going quite so far as graduation with a university diploma.

He spoke of the junior colleges as a means of providing for students who, not wishing to go beyond them, still looked for a well rounded education beneficial for citizenship and the earning of a living. Also, students who had planned to attend university but found the third year of Junior College beyond their capacity, would be saved the expense and chagrin of an unsuccessful university career.

The stamp of approval on the junior college is of interest to the North because that virtually is the status of the Lakehead Technical Institute. After a number of years, in which its potentialities and standards have been proved -- both by graduates proceeding to university and others going into business and industrial activities -- the Lakehead Technical Institute may well be said to have become established as a permanent educational institution.

It is well fitted to fill the purpose outlined by the President of the country's biggest university. Being no longer an experiment, but still in quarters which are inadequate

and unsuited to expansion, the time seems to have arrived for a move to larger and more suitable housing.

The site is already set aside between the Cities of Port Arthur and Fort William. The building program should now proceed. Let me quote from an editorial in the Toronto Telegram under date of February 21, 1953:

"Lakehead Cities Growing --
Ready for Junior University

"A province-wide system of junior colleges is suggested by President Smith of the University of Toronto to cope with an increasing demand in Ontario for higher education and to reduce its cost to students distant from universities. The areas in that category are mainly in the north, and the Lakehead has long been interested. The late Hon. Russell Kelley at one time promised Fort William and Port Arthur that the Government would see about a 'junior university' for them. The time may have arrived for fulfilment, for Port Arthur News-Chronicle reports the Lakehead Technical Institute 'a proven institution', with an enrolment and a record of academic success which indicate that establishment of a junior college should be no longer delayed.

"The former Health Minister on his Lakehead visit six years ago forecast several other projects, including a 700-bed hospital for mental patients. This pledge has been more than fulfilled. Hon. McKinnon Phillips

announced recently that service buildings for a 500-bed hospital had been about completed, and contracts let for many of the other buildings. The provincial director of public library services recently forecast establishment of central library for the Thunder Bay district.

"There is no indication as yet of the 'second seat of government' once proposed for the Lakehead, but Port Arthur and Fort William are going ahead, with a population gain of 2,185 last year, exclusive of suburban townships. They are at the hub of great mining and paper industries, and as Fort William Times-Journal predicts, 'on the threshold of ever faster growth.' With that comes the need for expanded services, but the planning, effort and financing involved will not find these vigorous young cities at a loss.'

The idea of a university at the Lakehead has been accepted and proper. I understand something of the difficulties involving Government grants; nevertheless we cannot go on with the present inadequate quarters. We must somehow get a decent set of buildings to house our Lakehead University so our boys and girls may have the prohibitive financial barrier to their opportunity to obtain a university degree, removed.

Another suggestion I would like to

mention to the Minister of Education (Mr.Dunlop) is greater thought being given to inclusion in our school text books of examples dealing with every-day commodities, such as cords of pulpwood, board feet of lumber, etc., also more suggestions on conservation of natural resources. Every school in the country should deal with the conservation angle, not only forests, but farms, soil, fish, pulp, paper, etc.

Amidst all industry in Canada, pulp and paper stands first in production, in exports, in employment, in wages paid and as a creator of national income. Northwestern Ontario, including my own riding, are proud that they are a great part of this industry, with eight mills. -- a capital investment of \$500 million -- employing some 4,000 men, and another 15,000 in the woods.

This great industry is steadily improving its methods toward the end of ensuring a perpetual supply of raw material and the total utilization of all types of timber. Forest industries are required by law to manage the forests which they have in their charge. In every phase of woods operation, transportation comes into the planning, and the development of a road system through the

forest lands of Ontario is a very great problem which should be faced up to and plans made to develop a system which would open up the forests in Northern Ontario. There should be roads opened up so that better forest management could be practised. Roads would be of an inestimable help in fighting forest fires. Forest fires are still the greatest hazard in the woods and loss from fires, not only destruction of mature timber but loss of young growth and of soil fertility, is something which can be reduced, although it may never be stopped altogether.

The absolutely basic essential for good forest management is about one mile of all-weather road for every two square miles of forested area. Intensively managed European forests have a mile of road for every half square mile of forest. I would like to see the Department of Lands and Forests, the Department of Mines and the Department of Highways combine their forces and resources to build roads in our district. We need north-south roads to develop our part of the country, " and I do not mean roads that cost \$50,000 a mile, but development roads to open up our North country.

We have in my riding such places as Nakina and Armstrong, where there are hundreds of people living who own cars and trucks, and have no access to the outside world by road. It would seem only fair that these people receive consideration, and I would suggest the situation be given early attention by the Government.

Farmers are also woodlot operators and foresters. They should receive much more help from the Department of Lands and Forests than they do. We need what is termed an extension forester, whose job would be to go around our farm areas and help the farmers develop their woodlots. He should also be available to the small operator, for working out forest management plans.

The Department has extension foresters in Eastern and Southern Ontario because their forests have been depleted through waste and neglect. They are now trying to bring them back. We need an extension forester in the North to prevent the same thing happening to our settled townships in the North.

The suggestion of the hon. member for Kenora (Mr. Wren) that the Department of Lands and Forests be subject to a critical examination

by a commission of fourteen men implies either that Lands and Forests has fallen, or is falling, down on the job of "forest administration," or that there is undue political interference in the work of the Department. For my part, I am satisfied that in the main the timber policy is sound, and, under present circumstances, the administration, while not perfect, is progressive, efficient and honest. . . .

Since the beginning of recorded history there have been forestry laws, which means that Lands and Forests officials are nothing new. The fact that it takes generations in the life of man to grow trees, means that an efficient service should not be subjected to either pressure from special interests or to dismissal when the Government changes.

There is nothing obscure in this Administration's forest policy. In effect, a commission is now advising the Department of Lands and Forests. This commission is headed by the Deputy Minister. The chain of authority flows through the offices of ten divisional chiefs, with headquarters in Toronto, to the field staffs whose work is directed by district and regional foresters.

Any suggestion that there is undue political influence at work in the service has no basis in fact. The proof of this is that when the political picture changed there was not the wholesale dismissal of personnel from the service which characterized the late, unlamented Liberal Government's actions.

The importance of having trained personnel in the field has not been overlooked. Every effort is being made to build up a permanent trained staff. The Forest Ranger School established by the Department of Lands and Forests now gives a 33-week course to field staff. This training is under the direction of a permanent staff of instructors. Every division of the service sends students to the course. Scalers, fire prevention officials, fish and wildlife conservation officers meet daily in class during the period of training, and, while there, gain knowledge of every phase of forest administration from tree planting, wildlife conservation and fire prevention to stumpage appraisal. In addition, each branch of the service learns something of the problems that beset the other fellow. In fact, the course, while not perfect, will eventually solve the

problem of producing trained forest administrators, without whom no forest administration will be able to function properly.

Although every division in the Department of Lands and Forests is important, it appears that the "Office of Timber Management" becomes a target for criticism more often than any other. The reason is obvious. Timber concessions, limits, timber dues, forest resources inventory, scaling and stumpage comes under its jurisdiction. Probably more brickbats are thrown at this office by industry, the public, and the M.L.A's than at any other branch of the service. But what can one expect when you realize that it deals with all the Crown economic timber "oxen" which may or may not be gored. However, there is no reason to believe that timber management can not only take criticism, but that they can take advantage of it to the betterment of forest management on the whole.

In conclusion, critics of this Administration's timber policy need to be reminded that we have moved a long way in the right direction from the "know-nothing do-nothing" policies dictated by previous governments to the Department of Lands and Forests. I congratulate the hon. Minister

and ask that the present sane methods in his Department be continued.

Inland Steel Company of Chicago, sixth largest steel company in the United States and eighth in the world, has taken up its lease on one of Steep Rock Iron Mines several ore bodies in the Atikokan district of Northwestern Ontario. The Inland Company will spend \$50 million over the next seven years, aiming at first production by 1938. Officials anticipate a shipping volume of 3 million tons of ore annually when full production is reached.

The agreement provides for royalty payments to Steep Rock Iron Mines based on a percentage of the market value of the ore shipped by Inland. Steep Rock is entitled to an \$8 million advance payment against royalties, payable on demand. Mr. Fotheringham, President, said Steep Rock could get the money, which he described as "entry fee" to get into the area, tomorrow if it so desired. However, the company will take the money over a period, to be used in its own expansion program.

Operations will be conducted by Caland Ore Company Limited, a Canadian subsidiary of Inland. An early start will be made this

and of thought and action, and that nothing
is more important than the development of our spiritual
and material resources and of government funds, so much
as to affect the welfare and safety of all persons.
The Second Session of the State Senate has just re-
convened, and the first order of business will be to
call for the election of a new Governor and
Lieutenant-Governor, and also to consider the
legislative program of the session. The members of the
Senate have been elected by the people of the State, and
are bound to do their duty to the best of their ability.
The First Session of the Legislature was opened on
the 1st of January, and the members were present in
large numbers, and the session was opened with a speech
from the Governor, in which he said, "I am sorry to
have to inform you that the session will be a short one,
as we have no time to spend in discussing the various
questions before us. We must therefore proceed at once
to the consideration of the bills introduced, and I hope
that they will be passed without delay. I trust that
you will all do your duty, and that we may have a
successful session." The members of the Legislature
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summer to open the ore body which is estimated to contain 500,000,000 tons of good grade hematite to a depth of 3,000 feet.

Production will require construction of a new spur of three or four miles to connect with the railroad, and an expansion of existing dock facilities at Port Arthur, which are now well under way.

"The Steep Rock development has special attraction for Inland because of its location," Block stated. "Ore boats will load at the Canadian National dock at Port Arthur." This port is 120 miles nearer Inland Steel mills at Indiana Harbor than Superior, Wisconsin, shipping point for Mesabi range ore, which will result in saving almost a day in each round trip.

The Steep Rock Company itself shipped 1,275,000 tons of ore from its Errington open pit in the "B" ore body during 1952. It is now preparing the Errington underground mine for production this year. Together with shipments from the Hogarth open pit on the "A" ore body, shipments this year are expected to reach 1,500,000 tons. The company's target, exclusive of Inland, is 3,000,000 to 4,000,000 tons by 1955.

Critics of this Government say we should not allow a ton of ore or a piece of unprocessed wood to leave this province unless it is in the finished state. I wonder if they came to power whether they would put this ban on at once. They should go back to the old days of their Government, the Hepburn regime, when there was no limit to export of wood and there was then no iron to export. I agree this should be our ultimate objective, but I wonder what would happen in this country if it were done at once.

MR. OLIVER: I think the hon. member for Port Arthur wants to be fair, but when I spoke on this matter I did not say you should prohibit the exportation of products in their unprocessed state, but rather if you did continue I saw no alternative for a long time to come than that there should be some moneys go into the treasury. Let us be fair and just.

MR. WARDROPE: I agree. This Government is working towards the export of our natural resources steadily, and that is the only sane way to do it; otherwise, you would throw our whole economy into chaos.

When critics suggest that absolute banning of all natural resources should be immediately

applied, it is simply a lot of chicanery and circumlocution.

MR. OLIVER: Who said that?

MR. WARDROPE: I have heard it several times.

MR. WREN: Who said that?

MR. WARDROPE: I think you did.

MR. WREN: You will find by checking Hansard that I made it clear I had no quarrel with the exportation of iron ore. I asked a question by way of information as to what the Government received in revenue from the export of ore, and the answer was that the Government received only the normal mines profit tax, and I did not say anything about the export of iron ore. You should tell us what member of the Opposition made that statement.

MR. WARDROPE: I shall only say that if the hon. member for Kenora (Mr. Wren) did not criticize that, it is the only thing he has not criticized since I have been sitting here.

We have, in a rough way, mapped the geology of our district, but so much of the country lies buried beneath lake, muskeg and overburden that it has been impossible to examine; only the diamond drill and magnetometer can reveal

its secrets of wealth. The prospector's resources are too small to lay bare the wealth we know to be hidden from us. I am pleased to see the Minister of Mines (Mr. Kelly) has brought in a Bill which may mean the development of untold wealth in our area.

We all know our gold mines are today hanging on and producing their precious metals at cost. This is a crying shame, but the reason is not, as the hon. Leader of the Opposition (Mr. Oliver) suggested, the high cost of Hydro power; it is the weak stand of the Federal Liberal Government at Ottawa on the price of gold. Why do we not put the price of gold up to \$50 an ounce ourselves and then make a trading agreement with the Silver Block countries. It has always seemed to me much better to place a real value on gold instead of subsidizing it. Many people do not understand that what we are really doing is subsidizing the United States Government to buy our own gold at less than cost. When we pay a subsidy to the gold mines and the gold goes out of our country at the lower value, it means the United States is getting it below its real value, storing it away, and then will be able

to revalue it later to its own advantage. If the hon. Leader of the Opposition would impress that on the Liberal Government at Ottawa, our gold mines would be saved.

(C-1 follows)

Mr. Speaker, I would like to congratulate the hon. Minister of Labour (Mr. Daley) on new workmen's Compensation laws.

Workmen's Compensation allowances should be increased in view of the tremendous increase in all the necessities of living. We are all convinced that allowances presently paid under the Workmen's Compensation Act in Ontario are not adequate to maintain life and, consequently, municipalities are called upon to assist persons receiving Workmen's Compensation. I suggest that the allowance to widows and invalid widowers should be \$75 per month, children \$30 per month and orphans, \$30 per month. This, I admit, is far from adequate but it will bring allowances more in line with costs. I want to thank the Chairman of the Board (Mr. Sparrow) for his co-operation and help; he is most thoughtful and helpful in all cases brought to his notice.

I would also like to compliment the hon. Prime Minister, the great humanitarian, for his leadership.

In regard to old age pensions, many of the members have spoken of the need for increased Old Age Pensions in the Province,

but I sincerely congratulate the Department of Welfare for the fine job they are doing in looking after our less fortunate citizens. I am pleased to see schools about to be set up throughout the Province for mentally-retarded children. This problem has long been neglected and I would like to see a vigorous approach made to this. Schools should give proper instructions and the necessary attention which would fit them, in so far as their ability permitted for useful citizenship.

Another of our great problems in the north today is the steadily increasing vehicular traffic on our highways and despite all manner of safety campaigns, regulations imposed by the Motor Vehicle Branch of the Department of Highways of Ontario and the constant vigilance of the Ontario Provincial Police and all local police officers, the accident incidence is steadily increasing in ratio to the increasing traffic.. In our area, due to the long distances between settled communities, we would ask the Government to establish some form of "Ambulance Service" to serve the more sparsely settled areas in Northwestern Ontario. Some communities have

been providing this service to the detriment of residents of their own communities. These ambulance units should be stationed at strategic centres throughout Northwestern Ontario under the supervision of the Department of Highways or the Provincial Police or some branch of the government.

Last year I was president of the Ontario Traffic Conference --this is an association for the improvement of traffic conditions and traffic safety in the municipalities of Ontario -- on each member's desk I have placed a booklet entitled "Uniform Pavement Markings" -- a report brought out by our Committee. We believe this is a valuable report which I would ask you to study as it may be helpful in your own communities.

Mr. David Mansur of the Central Mortgage and Housing Corporation recently told a Community Planning Body that our citizens by choice last year spent more money for automobiles than for housing.

In Canada, the possession of a car is apparently more important than the possession of a house; cars are no longer luxuries, the people deem them necessities, indeed the Chamber

of Commerce tells us that over 80 per cent of all driving is essential driving. That, gentlemen, is why we are faced with traffic troubles - congestion, delays, accidents, and deaths. There are 3 million motor vehicles in Canada , increasing at the rate of a quarter million per year, with half the Canadian total and half the Canadian annual increase occurring right here in Ontario.

With the population of our wonderful Province increasing at a rapid rate and car ownership becoming ever more desirable, there is no end to the increase in sight, nor any apparent approach to the saturation point.

The increase in auto ownership and usage has confounded our experts -- their postwar estimates of possible 1960 traffic have already been surpassed. The resultant horrible congestion of our municipal and provincial roads has placed traffic problems in the public spotlight. Demands for traffic signals, stop signs, parking privileges, school zones, street lighting and other measures are familiar to all of us and indeed plague our municipal brethren.

Unfortunately, every motorist and every pedestrian by reason of his special interest is

a traffic expert in his own right.

That is why in 1950 a number of municipal people, aldermen, policemen, engineers, banded together to set up the Ontario Traffic Conference. This association is forming a program for the improvement of traffic conditions and traffic safety in the municipalities of Ontario. As an alderman from Port Arthur I attended the first convention in Mitchener, the second in St. Catharines, and was honored by the post of President during the third convention in Chatham last year.

I am particularly proud of my association with the Ontario Traffic Conference because last year, while I was President, we adopted this fine semi-technical report designed to obtain uniform pavement markings throughout the municipalities of Ontario. Gentlemen, a copy of this report is on each of your desks for two reasons. First, so that you will appreciate the sincere efforts of this municipal association to obtain relief from traffic difficulties. Secondly, so that you will appreciate how much we in this Parliament must do to help them.

In this report, for example, you will

learn, doubtless to your surprise, that municipal officials have no legal authority for the painting of pedestrian crosswalks, white centrelines, stop signs, etc. on the road; that there is no law to prevent a motorist crossing and a solid centre line/^{and} that a pedestrian crossing the road within a marked crosswalk does not have the right-of-way, in law. There is no law to require motorists to obey painted stop signs.

I am sure you have taken these things for granted, as I had, but they are indicative of corrective measures which should be taken by us to simplify the job of the municipalities, their policemen and engineers, in solving their traffic problems. The Department of Highways has indicated its willingness to incorporate the features of this excellent report in its own manual of Uniform Traffic Control Devices.

I would invite you most warmly to represent the interests of your home ridings at the next Convention of the Ontario Traffic Conference at Kingston, June 10 to 12. These are some of the basic measures that you learn, as I have :

That speed zoning is necessary and quite practical when backed by proper engineering studies.

That school buses can be provided with removable warning signs to require other vehicles to stop when the school bus is loading or discharging children.

That traffic problems are loaded with conflicts of interest which must be reconciled courageously.

That motorists should be required by law to maintain their stoplights in working order.

That our Department of Highways must soon develop uniform traffic laws, and uniform specifications for traffic signals, signs, and pavement markings.

That our Highways Department should set up a special branch to provide traffic engineering advice and guidance to our municipalities even as our Provincial Health Department maintains a Sanitary Engineering Branch to guide municipalities.

We are all proud of the tremendous job being done by our Department of Highways. Considering the great skill and initiative displayed by our Department Engineers and administrators, in managing a \$50 million program -- one of the greatest industries in the province -- I think they deserve not only thanks but better salaries. In Ontario there can be no complaints about diversion of highway funds. We are spending every dollar received

from motor vehicles for actual highway improvement purposes, of which again we can be proud.

There can be no doubt however that our municipalities need financial assistance to relieve their terrible traffic difficulties. This election year, gentlemen, we must make known to all electors the way in which the Federal Government has shirked its responsibilities in the traffic field. In 1951 it collected over \$175 million from motor vehicles sales, excise of import duty taxes alone, and doled out about six paltry million for their ineffective level crossing fund and their much advertised contributions to the Trans-Canada highway.

The facts are that the Federal Government must recognize its interest and responsibilities in highway commerce and use these revenues from motor vehicles for the provision and improvement of roads and highways. The United States government has been doing this for the past ten years working through the individual states.

Colonel J. Bidones, Chief Engineer of the Canadian Army states, "The military engineers are deeply concerned about the weaknesses in

Canada's road system. There are more poor roads than good roads and the only way to move tanks and critical vehicles between Defence Areas is by rail."

Brigadier-General F.F.Worthington, Federal Civil Defence Co-ordinator has stated that "the solution of municipal traffic problems is absolutely top priority from a civil defence standpoint and is the cause of much concern to federal authorities.

Nevertheless the Federal Government remains silent until the people demand cheaper cigarettes, and farm assistance, and now we will demand that some of those 200 or more million dollars in direct and indirect motor vehicle taxes benefit the motorists who provide them.

In the coming election, gentlemen, I urge that we all press for improved roadways, less congestion and fewer traffic deaths. If T.V. facilities are to be financed by T.V. sales and excise taxes, so must traffic improvement be financed by motor vehicle taxes.

We have heard a lot of loose, unfounded criticism of the activities of this Government from the Official Opposition during this

Session, especially from the hon. member for Kenora (Mr.Wren), whose presence in the House is conspicuous by his long absences. He will soon be known as the Official Opposition "Hit and Run Artist", although his running seems to be stronger and longer than his hitting. However, his destructive criticism is not conducive to the good of the area which we have the honour to serve.

When this Government assumed office in 1943, one paper company was in the hands of the Receiver, another had practically closed down and there was nothing but grief and confusion. Although the Liberal Party, under the leadership of Mr. Hepburn, had promised to construct mills in the area, no new mills were started and the mills already in existence were in the position indicated above.

With the advent of this Government the Pulp and Paper Industry took on new life. The Companies that were in financial difficulties have had their affairs straightened out and are running on a normal production basis. Along with this, new Companies have been formed and are now operating.

As far as the Hydro affairs are concerned, the Thunder Bay should be the last area subject to criticism by the Official Opposition, especially the member for Kenora. One has but to recall the statement made by the Hon. E.C. Drury, Liberal Progressive Premier, in reference to the Gregory Commission, in which he stated:

"Someone, I must say, has been guilty of lack of foresight in this 'Nipigon Development' . . . the impression gradually sweeping over the people of Ontario is that another colossal blunder has been made by the Hydro-Electric Power Commission and that the district is shouldered with a white elephant in the shape of a power plant many years ahead of its time."

Let us see what has actually happened in our area in the last thirty years as far as Hydro is concerned. The so-called white elephant of approximately 40,000 H.P. referred to by Mr. Drury has developed to such an extent that today, in the Thunder Bay area, there are six plants developing more than 250,000 H.P. and more capacity is now required to serve the people of this district. Is there any better way to refute the wild statement showing Liberal "lack of foresight and faith" than this one important incident.

Then again, when this Government assumed office, there was hardly a mile of rural lines constructed to serve our people; whereas today lines are extending in all directions and our standard of living has been greatly improved and our people made more contented, prosperous and happy.

I have been requested by our citizens, and in this I speak for the members for Fort William and Rainy River, of Kenora, and, in fact, for all our northern members, as well as for myself, in inviting the hon. Prime Minister and every member of this House to visit and learn about this great storehouse of present and future economic wealth in that part of your Province known as Northwestern Ontario. Our city and town councils, our Chambers of Commerce, and all our people, will spare nothing to see that you are shown "real Northern hospitality." I would suggest this trip be made perhaps in September. If you will accept, you will do us a great honour and I assure you the hand of friendship will be extended, and the welcome sign will be on every door. You in turn will have the

satisfaction of learning and seeing at first hand the vast potentialities of this great Northern kingdom, destined to be, not alone in my opinion, the future Chicago of Canada.

The people of Northern Ontario, Mr. Speaker, have, through the years, shown faith, courage and initiative in pioneering the development of the North.

This is a challenge to this government to match the faith and courage of the people of the North, by every contribution you can make for our further development.

We here are saddled with the responsibility of using our resources and diverse talents, and our power of control, to the end that the progress of the past fifteen years may be multiplied many times in the years that lie ahead.

We are appreciative of the interest this present Government has displayed on our behalf through the many improvements you have contributed and the many visits made to our part of the Province by the hon. Prime Minister and his hon. ministers. They have brought pleasure and hope to our citizens through

those visits, and, I am sure, they enjoyed the experience and their knowledge of our great Northern kingdom was increased.

One word in closing, I heard the hon. Prime Minister the other day say something which struck me as basic and important. He mentioned we were all Canadians, Russian Canadians, Ukrainian Canadians, Norwegian Canadians, all nationalities, but Canadians. I think it is very important that we should forget these different nationalities as long as we are Canadians, and Christians. This country will go ahead, we will cement ourselves ^{together} / as ambassadors of good will, and Canada before very long will become what it is destined to be some day, the greatest country in the world.

MR. ALBERT WREN (Kenora): I move the adjournment of the debate.

Motion agreed to.

(D follows)

HON. MR. FROST: Mr. Speaker, I move you do now leave the Chair and the House resolve itself into the Committee of Supply.

Motion agreed to; Mr. Downer in the Chair.

ESTIMATES OF THE DEPARTMENT OF AGRICULTURE

HON. MR. DOUCETT: Mr. Chairman, I do not wish to make any speech on the Estimates of the Department of Agriculture, but I would like to say I regret very much the absence of the hon. Minister of Agriculture (Mr. Thomas) from the House, particularly as it has been such a short time since he took over this Department, I think, on the 20th of January. I am sure the hon. members will appreciate what a difficult position I am in, following "Abe Lincoln" referred to by the hon. member for Port Arthur (Mr. Wardrobe) this afternoon, the hon. member for Peel (Mr. Kennedy) who held this Portfolio for so many years, and made so many good friends across this province.

I am not in a position to say what the hon. Minister of Agriculture (Mr. Thomas) has in mind, but it is very difficult for me to outline any program he might propose for the coming year. As he took office on January 20th, the

Estimates were probably nearly completed, and many changes might have been recommended, if he had assumed office a little earlier.

I would like to mention, in my humble way, in the absence of the hon. Minister, if the Estimates meet with the approval of the House, there is included in them an extra \$50,000 this year for research on marketing, which I think those engaged in the industry will recognize as a step in the right direction. The other day, the hon. member for Kenora (Mr. Wren) mentioned there should be some money in the Estimates to help in the way of research, and I am happy to say there is an amount for further research work, which I think amounts to an increase of about \$60,000, this year.

I might say to the hon. member for Kenora that, to the best of my knowledge, and with my very meagre experience in the agricultural industry, regardless of how much money we put into the Estimates, I do not think we will be able to produce a cow in the next thousand years which will produce anything but dandelion-coloured butter.

While it may be small, this is a start, and I trust it will be able to be developed a

great deal in the way of securing information for the farmers of this province.

There is another item in the Estimates amounting to \$35,000 for extention work, We feel that if something is found, about which they know nothing, or very little, it is not of much use unless they can take it to a place where it can be developed, Some hon. members may think this is a very minor matter, and it may be, but it is a move in the right direction, Far be it from me, with my limited experience, to say what the details will be, or how they will be carried out.

We have another very important item in the Estimates, Mr. Chairman, one which I think has brought more happiness, more pleasure, and more convenience to the rural areas than anything which has been done in the history of this province. I refer to the development of rural Hydro.

In that connection, you will see there is estimated a sum of \$9,700,000, and while it is unusual for the Acting Minister of Agriculture, or of any Department, to bring a guest speaker to you, I will have the honour this afternoon of calling upon our "Guest speaker," who will be able to explain rural Hydro to the hon. members in much greater

detail than I could ever attempt to do.

MR. OLIVER: Just rural Hydro?

HON. MR. DOUCETT: Any kind of electric energy, so I say to the hon. Leader of the Opposition, to just sit down and not to get all "lit up" about this.

I shall leave the details of that to be explained to the House by the hon. member for Grenville-Dundas (Mr. Challies), the Vice-Chairman of The Hydro-Electric Power Commission.

HON. GEORGE H. CHALLIES: Mr. Chairman, I do appreciate very keenly, this opportunity of making my annual report on rural Hydro, and I may assure the hon. Acting Minister, and the hon. members of this House, it is not for me to "preach for a call", as did the hon. member for Kenora (Mr. Wren). I will be here long after he has departed.

One thing I would like to do, Mr. Chairman, is to extend to the hon. member for Kenora an invitation to come down to Grenville-Dundas, because every time I have a member of the Opposition in my riding, I simply sit down, and my majority rolls up.

MR. OLIVER: What I would not give for a riding like that.

HON. MR. CHALLIES: I want to make a short comment on the criticism in regard to broadcasting, which brings to my memory a little incident which happened last fall. I was listening to the radio, and it was announced, "This quarter-hour is free, and is available for the different political Parties to present their views". Then I heard the voice of the hon. Leader of the Opposition, and in about thirty seconds, it was turned off. I was interested, and I telephoned the station and said, "What is the matter? I would like to listen to my friend, Mr. Oliver", and the reply I received was, "Oh, we have had too many objections". I have been undecided since then as to whether a radio is of any value or not.

I noticed in a newspaper report, the hon. member for Kenora (Mr. Wren) had said, "We would like to have in Ontario, another Currie Report". I suppose that was because electricity is measured in horsepower. And this very morning, I read a letter from a very estimable firm, which I presume had been reading in the papers the criticism regarding matches, pencils and lighters which have been produced by the Comstock Company, and paid for by Hydro. The

letter said:

"We are the auditors for the Canadian Comstock Company. We have audited the books of the Canadian Comstock Company and we can assure you that all items charged to The Hydro-Electric Power Commission are according to contract, and the expenditures are made in accordance with your agreement".

Evidently that did not include matches, lighters and pencils. But the peculiar feature of this letter was that it was signed by "McDonald Currie and Company". Therefore, in three days, the hon. member has available a "Currie Report".

MR. WREN: Tell the rest of the story.

HON. MR. CHALLIES: That is the complete story. If there could be anything quicker than that, I do not know what it is.

I do want to report on the program of spreading the great benefits of electrical service wherever economically feasible throughout rural Ontario continued during 1952. The rate of expansion, as measured in the number of miles of primary line added and the net number of customers added during the year, declined somewhat by comparison with the years 1948 to 1951 and the proposed program for 1953 is about on a level with last year's. It is gratifying to be able to report

that in nineteen of the fifty-four Counties and Districts in Ontario, the Commission is within close reach or has already reached the point of providing service for all of the farm customers within economical reach of distribution systems. That is a remarkable record; nineteen out of fifty-four districts in Ontario where the farmers can be economically served, they have been served.

During 1952, 2,080 miles of primary line were added and 24,931 customers were added to new and previously existing lines. The Commission increased its capital investment in rural distribution lines and services by \$18,241,931 and the Provincial Grant-in-Aid increased by \$8,825,973.

That is the reason why this Estimate, which is only an estimate, is presented with the Estimates of the Department of Agriculture, because this Grant-in-Aid is to Agriculture.

New applications of electricity to save labour, increase production, and make farm life more comfortable are constantly being devised. Furthermore, the Commission's rural customers, like those in urban Ontario, are constantly

adding appliances and equipment. It is not surprising, therefore, that the loads of our rural operating areas have risen sharply in recent years. The following table shows how they have increased.

Maximum sum of the Coincident Peak
Loads of Rural Operating Areas

1940	62,922 KW
1945	98,899
1950	234,752
1952	302,261

That means, Mr. Chairman, that the rural parts of the province of Ontario consume almost the average output of the Des Joachims plant on the Ottawa river, showing the tremendous increase in the consumption of Hydro in the rural home.

The slight tapering off of our rural construction program cannot be expected to produce a tapering off in load growth because the rate of acquisition of new equipment and appliances is probably much higher among new customers than the old, but purchases are likely to be spaced over several years. The results, therefore, in terms of load growth

of our post-war rural expansion are likely to be felt for several years to come.

Why is an increase in rural rates necessary? The factors contributing to the increased cost of power for municipal service apply equally to rural service. The major reason for the increase in our rates is expensive steam power. In 1951, steam power represented 1% of the cost of power; in 1953, according to our estimates, it will represent 24%.

As you are aware, we had to proceed with the installation of steam plants to meet rising load demands from all classes of customers, particularly during peak periods, because we had not received authority to produce low-cost hydraulic power from the St. Lawrence. The importance of the St. Lawrence cannot be better exemplified than by the following comparisons:

The fuel cost (water rental) at Pine Portage to produce an amount of power equal to our average annual domestic use of 3,957 kilowatthours -- is 75 cents, whereas the fuel cost for the same energy at the Richard L. Hearn steam plant is \$14.02 for 1.65 tons of coal.

Apart from steam generation what other elements contribute to the rural rate increase?

The costs of practically all goods and services required by Hydro have risen very sharply; for example, in seven principal trades in the construction field, the average of the increases in hourly rates between 1945 and 1952 was 97%. The increase since 1950 alone has been 48%. During the same period, 1945 to 1952, the costs of a few major construction items required by Hydro in its daily operations have increased as follows:

Copper	-	149.9%
Lumber & Timber		138.5%
General Building		
Materials		99.2%
Cement		53.6%

The increased use of electricity in the rural areas for domestic and farm use has resulted in a demand for a higher grade of service, -- and this is important -- oil burners, milking machines, pumps, grain grinders and a variety of other labour-saving devices make it imperative that continuity of service be maintained. This necessitates a correspondingly higher standard of maintenance and rehabilitation.

As an example, tree trimming is becoming more and more important. During the war, tree

trimming had to be curtailed because of labour and material shortages, with the result that, during the past year we have been faced with an abnormal amount of this type of work. During 1945, only \$19,059 was spent on this operation, and during 1951, this figure had increased to \$679,404. In 1952, it is estimated that the total cost for rural tree trimming will be \$1,356,500, over seven times the expenditure incurred seven years ago.

In order to maintain satisfactory electrical service in the rural areas, the Commission must be prepared to meet contingencies such as might arise because of storms. For example, a severe sleet storm in western Ontario in February, 1950, covering a distance of 180 miles of rural line, destroyed over 1,000 poles and associated equipment. The restoration of service to this district required a total expenditure of \$560,000. Part of the Commission's reserve to meet such a contingency is necessarily included in the cost of power, which in turn must be met out of revenue.

Another factor contributing in no small measure to the need for increased rates is the

higher cost of capital construction. In 1945, the cost of constructing one mile of single phase rural line under optimum conditions was \$1,834, whereas the same type of line today costs \$3,402 per mile, an increase of 85%. Similarly, the average cost of providing a three-wire farm service (on a new line) was \$209, in 1945, whereas today it is \$361., an increase of 73%.

(TAKE E FOLLOWS)

All electrical energy is sold at cost to the rural consumers and as cost is very sensitive to any change, another added factor in addition to those I have already mentioned is the additional cost paid for transmission line poles in the rural areas.

The following is a comparison of the prices paid to farmers for transmission line poles:

Rural - Arable Land

	<u>1940</u>	<u>1947</u>	<u>1951</u>
20-foot Right-of-Way (23 poles per mile)per pole	\$5.00	\$5.00	\$14.00
(Good typical line)			
Occupation Paid	No occupation	4.89	7.22
	-----	-----	-----
Total paid per pole	\$5.00	\$9.89	\$21.22
Total per mile paid	\$115.00	\$227.00	\$488.40

What is the amount of the Rural Rate increase?

The increase in our rates to rural customers will average 14.9 per cent, effective January 1, 1953.

As a comparison, the average kilowatt hour cost for rural service in 1943 (farm, hamlet, commercial and summer classifications) was 2.416 cents. It is estimated that in 1953, under the increased rural rates, the average kilowatt hour cost for rural service on the same basis will be

2.22 cents. In other words, even with the new rate increase, the average kilowatt hour cost for rural service will be less than it was in any year previous to 1944.

To the farmer, low-cost electricity is replacing more costly manual labour and at the same time providing greater farm output at lower cost.

To what extent has Hydro rural service increased since World War II?

During the past seven years, the Commission has added more rural customers than during the previous 24 years of rural hydro. This increase reflects the growing dependence of rural Ontario on low-cost electrical service, thereby helping to increase farm production and provide greater convenience and comfort in rural homes.

It is significant that the greatest expansion in Hydro rural service has taken place in a comparatively short period of time when costs have been extremely high in practically every field of commodity and service. This cost trend continues upward and is likely to increase further.

In 1945, we were serving 156,560 rural customers over 21,569 miles of rural primary

line. By September 30, 1952, we were serving 334,825 rural customers over 39,598 miles of line. Our program for the year 1953 alone calls for the addition of 27,320 customers and the construction of 1,680 miles of line.

The outstanding advance in rural electrification in Ontario has been made possible, to a large extent, by Provincial Government grants in aid, which represent 50 per cent of the cost of constructing rural primary lines. To the end of September, 1952, Provincial grants in aid have totalled \$70,210,165. The estimated expenditure for 1953 is \$21,050,000, with Government aid of \$9,500,000. Under this arrangement, the Ontario Government and Ontario Hydro have co-operated in extending the benefits of electrical service to as many of our rural families as possible.

In passing, I would like to comment on some remarks made by the hon. member for Brant (Mr. Nixon). This is not in any critical way, because we all face the same facts, we all must recognize them, and I think we are all sympathetic to those facts. The hon. member spoke of a power line going across his property. I can assure him the Commission is not enamoured with

building transmission lines, but as long as we have the tremendous increase in the domestic demands or in our industrial demands, towers must be built. It is not economically possible as yet, by any mechanical device, to put wires underground, and I know the hon. member has had his experience with that. We do sympathize with anyone whose property is used for steel towers, but I can assure you that after aerial surveys are made, the lines are projected by the Engineering staff to cause as little inconvenience and harm as possible.

I would point out that the fees paid by the Commission are far more liberal than they have ever been. The tower mentioned at \$50 has been increased to \$75. However, that is not the whole story; there is an occupational charge today and that occupational charge amounts to \$384. That would be on a mile of line, so if you calculate in 1951 the number of miles of line or the towers required in a mile of line, for the occupational charge you get \$750, while in 1940 it was \$250. Compensation for towers on a farmer's property is paid and it is something we cannot control.

I want to emphasize two points which I think have a bearing, and which may be lost .

sight of when you are talking of rural hydro costs. One was emphasized in the House by the hon. Prime Minister (Mr. Frost) the other day, and that is the increased freight rate on these very same steel towers and everything which goes into transformers, wire and everything else which goes into transmission lines. The freight rates have increased by 98 per cent, and we have not heard any criticism from the Opposition of the increase in freight rates.

Then, I think there is something I should draw to the attention of the House, something of which the Government in Ottawa have been guilty.

I may be wrong, but I have the support of the Commission, and we have tried our best to rectify it. That is, on the equipment of which the Province pays 50 per cent of the cost, the Dominion Government still charges sales tax. I do not think that is fair, nor do I think it is reasonable, but unfortunately it has a great bearing on the cost of rural transmission, as well as high tension and the main transmission lines. On this year's expected operation, the sales tax will be about \$565,000.

MR. OLIVER: Does the hon. Minister think he should pay gasoline tax for hydro vehicles? That is almost the same.

MR. CHALLIES: We are not a branch of Government and we should pay the tax. I say this, if the Government would buy transformers and everything that goes to equip a rural line, and hand them down to us at half .. the cost, it would be a little over \$3 million. I do not think we should be charged sales tax on that. That is a government tax contribution to the people of the rural areas, and the Province should not pay the tax. It will amount this year, as close as we can estimate it, to \$282,500.

MR. SALSBERG: Have you asked for exemption?

MR. CHALLIES: Yes, we have asked, not only this Government but previous Governments, and I think it is something which should be straightened out. I feel it is something owing to the people of the Province.

In other words, the Government has spent \$70 million in order to assist agriculture, and the Dominion Government charges sales tax on most of that \$70 million, which is contributed. I do not think that is fair.

The hon. member for Brant (Mr. Nixon) also mentioned his own Hydro bill. I have his bill and it is quite true his rate is more than

14.9 per cent for the simple reason that in the past his big consumption has been on a very low rate, and when you have to supply that low rate with steam you can see the problem. I also give this to him in a friendly way, that I do with not think/the consumption of energy he uses of 14,430 -- which is almost three times what the average domestic consumer uses in the Province -- he has very much complaint. His average rate is 1.78 cents a kilowatt hour.

MR. NIXON: I am not complaining about my bill; I am complaining about you saying it is cheaper than it was ten years ago. I am happy to pay my bill, but do not tell me it is cheaper than it was ten years ago.

MR. CHALLIES: In 1940 the average revenue per kilowatt hour was 2.55 cents; in 1941 it was 2.513 cents; in 1942 it was 2.465; in 1943 it was 2.416 cents. That is why I say the average rate today is lower than it was in any year previous to 1943.

I would like to see some farmers' bills to compare with it. This is average, and it is quite true some will be much less and some greater. If you are going to give the facts, then give them. Show me any place in any

Jurisdiction where the rural people can buy energy for 1.7 cents on a rate of 14,400 kilowatts, and I will buy you a new hat.

This is my contribution to rural highway, and if there are any questions I shall be glad to answer them.

Votes 1 to 3 inclusive agreed to.

Vote 4:

MR. SALSBERG: Mr. Chairman, on Vote 4, has the Government given thought to undertaking a study or an investigation of the price spread between the farmer and the consumer? It has been mentioned in this House before by speakers on all sides, and the former hon. Minister of Agriculture used to emphasize this problem quite often, and he explained some of the difficulties of the price structure. In the earlier days of this Session I drew this to the attention of the Government, and at this time I am asking the question whether the Government is giving it some thought.

(F-1 follows)

HON. MR. DOUCETT: Mr. Chairman, as I mentioned a while ago, some of that money will be used for that purpose. There will be some research on the subject but I do not know to what extent.

Votes 6 to 17 inclusive agreed to.

Vote 18:

MR. OLIVER: Mr. Chairman, may I ask the hon. Minister, are there any new buildings at the Agricultural College planned for this year?

HON. MR. DOUCETT: Mr. Chairman, may I say in reply to the hon. Leader of the Opposition that it is planned to build a new seed plant this year.

MR. NIXON: May I ask the hon. Minister if there is some extension to Macdonald Hall?

HON. MR. DOUCETT: Yes, that is nearing completion, Mr. Chairman. It is expected it will be completed and ready to open about June.

MR. NIXON: How many more students will that accommodate?

HON. MR. DOUCETT: It is a four-year course, Mr. Chairman, and it will accommodate, I understand, all the applicants they have.

Votes 18 to 22 inclusive agreed to.

HON. MR. DOUCETT: Mr. Chairman, I move

the Committee rise and report certain resolutions.

Motion agreed to.

The House resumed; Mr. Speaker in the Chair.

MR. A. W. DOWNER (Dufferin-Simcoe): Mr. Speaker, the Committee of Supply reports it has come to certain resolutions and begs leave to sit again.

Report agreed to.

HON. MR. DOUCETT: Mr. Speaker, I move that you do now leave the Chair and that the House resolve itself into Committee of the Whole.

Motion agreed to.

House in Committee of the Whole, Mr. Downer in the Chair.

CITY OF STRATFORD

CLERK OF THE HOUSE: 36th Order, House in Committee on Bill No. 18, "An Act respecting the City of Stratford."

Sections 1 to 6 inclusive agreed to.

Bill No. 18 reported.

CITY OF TORONTO

CLERK OF THE HOUSE: 37th Order, House in Committee on Bill No. 31, "An Act respecting the City of Toronto."

Sections 1 to 11 inclusive agreed to.

Schedule agreed to.

Bill No. 31 reported.

TOWN OF ALMONTE

CLERK OF THE HOUSE: 38th Order, House in Committee on Bill No. 36, "An Act respecting the Town of Almonte."

Sections 1 to 6 inclusive agreed to.

Schedule agreed to.

Bill No. 36 reported.

SEPARATE SCHOOL BOARDS, TORONTO

CLERK OF THE HOUSE: 39th Order, House in Committee on Bill No. 37, "An Act respecting Separate School Boards in the Metropolitan Area of Toronto."

Sections 1 to 23 inclusive agreed to.

Schedules A and B agreed to.

Bill No. 37 reported.

AGRICULTURAL SOCIETIES ACT

CLERK OF THE HOUSE: 52nd Order, House in Committee on Bill No. 69, "An Act to amend the Agricultural Societies Act."

Sections 1 to 5 inclusive agreed to.

Bill No. 69 reported.

AGRICULTURAL ASSOCIATIONS ACT

CLERK OF THE HOUSE: 53rd Order, House in Committee on Bill No. 70, "An Act to amend the Agricultural Associations Act."

Sections 1 to 3 inclusive agreed to.

Bill No. 70 reported.

BRUCELLOSIS CONTROL

CLERK OF THE HOUSE: 54th Order, House in Committee on Bill No. 130, "An Act respecting Brucellosis Control."

Sections 1 to 10 inclusive agreed to.

Bill No. 130 reported.

FARM PRODUCTS MARKETING ACT

CLERK OF THE HOUSE: 55th Order, House in Committee on Bill No. 131, "An Act to amend the Farm Products Marketing Act."

Sections 1 to 3 inclusive agreed to.

Bill No. 131 reported.

WARBLE FLY CONTROL ACT

CLERK OF THE HOUSE: 56th Order, House in Committee on Bill No. 132, "An Act to amend the Warble Fly Control Act."

Sections 1 to 4 inclusive agreed to.

Bill No. 132 reported.

HOMES FOR THE AGED ACT

CLERK OF THE HOUSE: 61st Order, House
in Committee on Bill No. 123, "An Act to amend the
Homes for the Aged Act."

Sections 1 to 3 inclusive agreed to.

Bill No. 123 reported.

HON. MR. DOUCETT: Mr. Chairman, I move
the Committee do now rise and report certain Bills
without amendment.

Motion agreed to.

The House resumed, Mr. Speaker in the Chair.

MR. A. W. DOWNER (Dufferin-Simcoe): Mr.
Speaker, the Committee of the Whole House reports
certain Bills without amendment, and begs leave
to sit again.

Report agreed to.

PUBLIC COMMERCIAL VEHICLES ACT

HON. MR. DOUCETT (Minister of Highways)
moved second reading of Bill No. 145, "An Act
to amend the Public Commercial Vehicles Act."

Motion agreed to; second reading of the
Bill.

MILK CONTROL ACT

HON. MR. DOUCETT, in the absence of Mr.
Thomas, moved second reading of Bill No. 146,

"An Act to amend the Milk Control Act."

Motion agreed to; second reading of the Bill.

HON. MR. DOUCETT: Mr. Speaker, I should like to inform the House before adjourning that Monday we shall take the estimates of the Department of Lands and Forests, and probably those of the Department of Health, and, if everything goes along well, we might take the Department of Public Welfare and the Department of Highways.

MR. OLIVER: There will be no debate on the Budget on Monday.

HON. MR. DOUCETT: No. We shall also consider any second and third readings on the Order Paper.

Mr. Speaker, I move, seconded by Mr. Daley, that when the House adjourns the present sittings thereof, it stand adjourned until two of the clock on Monday afternoon, and the provisions of Rule 2 of the Assembly be suspended so far as they apply to this motion.

Motion agreed to.

HON. MR. DOUCETT: Mr. Speaker, I move the adjournment of the House.

Motion agreed to.

The House adjourned at 4.07 of the clock p.m.



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